



Gas Act 1986

1986 CHAPTER 44

An Act to provide for the appointment and functions of a Director General of Gas Supply and the establishment and functions of a Gas Consumers' Council; to abolish the privilege conferred on the British Gas Corporation by section 29 of the Gas Act 1972; to make new provision with respect to the supply of gas through pipes and certain related matters; to provide for the vesting of the property, rights and liabilities of the British Gas Corporation in a company nominated by the Secretary of State and the subsequent dissolution of that Corporation; to make provision with respect to, and to information furnished in connection with, agreements relating to the initial supply of gas won under the authority of a petroleum production licence; and for connected purposes. [25th July 1986]

Be it enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

Extent Information

E1 Act, except for specified provisions, does not extend to N.I., see s. 68(6)

Modifications etc. (not altering text)

- C1** Act applied (8.11.1995) by [1995 c. 45, s. 17\(2\)](#)
- C2** Act: references to the Director General of Gas Supply ("the Director") shall be read as references to the Gas and Electricity Markets Authority ("the Authority") (20.12.2000) by virtue of [Utilities Act 2000 \(c. 27\), s. 3\(2\)](#); [S.I. 2000/3343, art. 2, Sch.](#)
- C3** Act: references to a public gas transporter or to the holder of a licence under section 7 of the 1986 Act shall have effect as if they were references to a gas transporter (1.10.2001) by virtue of [Utilities Act 2000 \(c. 27\), s. 76\(7\)](#); [S.I. 2001/3266, art. 2, Sch.](#) (with arts. 3-20)
- C4** Act: transfer of functions (1.10.2008) by [Consumers, Estate Agents and Redress Act 2007 \(c. 17\), ss. 30\(3\)\(a\), 66\(2\)](#) (with s. 6(9), [Sch. 3](#)); [S.I. 2008/2550, art. 2, Sch.](#)

Status: Point in time view as at 21/03/2012.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 09 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

PART I

GAS SUPPLY

Modifications etc. (not altering text)

- C5** Pt. I: definition of "public gas supplier" applied (E.W.) (1.12.1991) by [Water Resources Act 1991 \(c. 57, SIF 130\)](#), **ss. 208(3)(b), 225(2)** (with [ss. 16\(6\), 179, 222\(3\)](#), [Sch. 22 para. 1](#), [Sch. 23 para. 6](#))
- Pt. I: definition of "public gas supplier" applied (E.W.) (1.12.1991) by [Water Resources Act 1991 \(c. 57, SIF 130\)](#), [ss. 178, 225\(2\)](#), **Sch. 22 para. 1(4)(e)** (with [ss. 16\(6\), 179, 222\(3\)](#), [Sch. 22 para. 1](#), [Sch. 23 para. 6](#))
- Pt. I applied (1.3.1996) by [1995 c. 45, s. 6\(7\)](#); [S.I. 1996/218](#), **art. 2**
- Pt. I applied (1.3.1996) by [1995 c. 45, s. 16\(1\)](#), **Sch. 4 para. 1**; [S.I. 1996/218](#), **art. 2**

Introductory

F1

Textual Amendments

- F1** S. 1 repealed (7.11.2000) by [2000 c. 27, s. 108, Sch. 8](#); [S.I. 2000/2974, art. 2](#), **Sch.** (subject to transitional provisions in [arts. 3-12](#))

F2

Textual Amendments

- F2** S. 2 repealed (7.11.2000) by [2000 c. 27, s. 108, Sch. 8](#); [S.I. 2000/2974, art. 2](#), **Sch.** (subject to transitional provisions in [arts. 3-12](#))

F3

Textual Amendments

- F3** S. 3 repealed (1.10.2001) by [2000 c. 27, s. 108, Sch. 8](#); [S.I. 2001/3266, arts. 1\(2\), 2](#), **Sch.** (subject to transitional provisions in [arts. 3-20](#))

[^{F4}4AA The principal objective and general duties of the Secretary of State and the Authority.

- (1) The principal objective of the Secretary of State and the Gas and Electricity Markets Authority (in this Act referred to as “the Authority”) in carrying out their respective functions under this Part is to protect the interests of [^{F5}existing and future] consumers in relation to gas conveyed through pipes^{F6}....

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[Those interests of existing and future consumers are their interests taken as a whole,
^{F7}(1A) including—

- (a) their interests in the reduction of gas-supply emissions of targeted greenhouse gases; ^{F8} ...
- (b) their interests in the security of the supply of gas to them^{F9}; and
- (c) their interests in the fulfilment by the Authority, when carrying out its functions as designated regulatory authority for Great Britain, of the objectives set out in Article 40(a) to (h) of the Gas Directive.]

(1B) The Secretary of State and the Authority shall carry out their respective functions under this Part in the manner which the Secretary of State or the Authority (as the case may be) considers is best calculated to further the principal objective, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the shipping, transportation or supply of gas conveyed through pipes.

(1C) Before deciding to carry out functions under this Part in a particular manner with a view to promoting competition as mentioned in subsection (1B), the Secretary of State or the Authority shall consider—

- (a) to what extent the interests referred to in subsection (1) of consumers would be protected by that manner of carrying out those functions; and
- (b) whether there is any other manner (whether or not it would promote competition as mentioned in subsection (1B)) in which the Secretary of State or the Authority (as the case may be) could carry out those functions which would better protect those interests.]

(2) [^{F10}In performing the duties under subsections (1B) and (1C), the Secretary of State or the Authority shall have regard to] —

- (a) the need to secure that, so far as it is economical to meet them, all reasonable demands in Great Britain for gas conveyed through pipes are met; and
- (b) the need to secure that licence holders are able to finance the activities which are the subject of obligations imposed by or under this Part^{F11}, the Utilities Act 2000 ^{F12}, Part 5 of the Energy Act 2008 or section 4, Part 2, or sections 26 to 29 of the Energy Act 2010^{F13}; and
- (c) the need to contribute to the achievement of sustainable development.]

(3) In performing [^{F14}the duties under subsections (1B), (1C) and (2)] , the Secretary of State or the Authority shall have regard to the interests of—

- (a) individuals who are disabled or chronically sick;
- (b) individuals of pensionable age;
- (c) individuals with low incomes; and
- (d) individuals residing in rural areas;

but that is not to be taken as implying that regard may not be had to the interests of other descriptions of consumer.

(4) The Secretary of State and the Authority may, in carrying out any function under this Part, have regard to—

- (a) the interests of consumers in relation to electricity conveyed by distribution systems [^{F15}or transmission systems] (within the meaning of the ^{M1}Electricity Act 1989); and
- (b) any interests of consumers in relation to—

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- [^{F16}(i) communications services and electronic communications apparatus,
or]
(ii) water services or sewerage services (within the meaning of the
^{M2}Water Industry Act 1991),
which are affected by the carrying out of that function.
- (5) Subject to [^{F17}subsections (1B) and] (2), the Secretary of State and the Authority shall carry out their respective functions under this Part in the manner which he or it considers is best calculated—
- (a) to promote efficiency and economy on the part of persons authorised by licences or exemptions to carry on any activity, and the efficient use of gas conveyed through pipes;
 - (b) to protect the public from dangers arising from the conveyance of gas through pipes or from the use of gas conveyed through pipes;
 - ^{F18}(ba)
 - (c) to secure a diverse and viable long-term energy supply,
[^{F19}and ^{F20}... shall] have regard, in carrying out those functions, to the effect on the environment of activities connected with the conveyance of gas through pipes.
- [In carrying out their respective functions under this Part in accordance with the
^{F21}(5A) preceding provisions of this section the Secretary of State and the Authority must each have regard to—
- (a) the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed; and
 - (b) any other principles appearing to him or, as the case may be, it to represent the best regulatory practice.]
- [In subsection (1A)—
^{F22}(5B) “emissions” has the same meaning as in the Climate Change Act 2008 (see section 97 of that Act);
“gas-supply emissions” in relation to emissions of a targeted greenhouse gas, means any such emissions (wherever their source) that are wholly or partly attributable to, or to commercial activities connected with, the shipping, transportation or supply of gas conveyed through pipes;
“targeted greenhouse gases” has the same meaning as in Part 1 of the Climate Change Act 2008 (see section 24 of that Act).]
- (6) In [^{F23}subsections [^{F24}(1C),] (3) and (4) references to consumers include] both existing and future consumers.
- (7) In this section and sections 4AB and 4A, references to functions of the Secretary of State or the Authority under this Part include a reference to functions under the Utilities Act 2000 which relate to gas conveyed through pipes.
- (8) In this Part, unless the context otherwise requires,—
“exemption” means an exemption granted under section 6A;
“licence” means a licence under section 7 [^{F25}, 7ZA] or 7A and “licence holder” shall be construed accordingly.]

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Textual Amendments

- F4** S. 4AA substituted (20.12.2000) for s. 4 by 2000 c. 27, s. 9; S.I. 2000/3343, art. 2, Sch. (subject to transitional provisions in arts. 3-15)
- F5** Words in s. 4AA(1) inserted (26.1.2009) by Energy Act 2008 (c. 32), ss. 83(1)(a), 110(2); S.I. 2009/45, art. 2(d)(i)
- F6** Words in s. 4AA(1) omitted (8.6.2010) by virtue of Energy Act 2010 (c. 27), ss. 16(2), 38(3)
- F7** Ss. 4AA(1A)-(1C) inserted (8.6.2010) by Energy Act 2010 (c. 27), ss. 16(3), 38(3)
- F8** Word in s. 4AA(1A) omitted (10.11.2011) by virtue of The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), 26(1)(a)
- F9** S. 4AA(1A)(c) and word inserted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), 26(1)(b)
- F10** Words in s. 4AA(2) substituted (8.6.2010) by Energy Act 2010 (c. 27), ss. 16(4)(a), 38(3)
- F11** Words in s. 4AA(2)(b) substituted (26.11.2008) by Energy Act 2008 (c. 32), ss. 102(3), 110(2)
- F12** Words in s. 4AA(2)(b) substituted (8.6.2010) by Energy Act 2010 (c. 27), ss. 16(4)(b), 38(3)
- F13** S. 4AA(2)(c) and preceding word inserted (26.1.2009) by Energy Act 2008 (c. 32), ss. 83(1)(b), 110(2); S.I. 2009/45, art. 2(d)(i)
- F14** Words in s. 4AA(3) substituted (8.6.2010) by Energy Act 2010 (c. 27), ss. 16(5), 38(3)
- F15** Words in s. 4AA(4)(a) inserted (1.4.2006 for specified purposes, 1.4.2010 in so far as not already in force) by Energy Act 2004 (c. 20), ss. 179(2)(3)(d), 198(2); S.I. 2005/2965, art. 3
- F16** S. 4AA(4)(b)(i) substituted (25.7.2003 for specified purposes, 29.12.2003 in so far as not already in force) by Communications Act 2003 (c. 21), s. 411(2), Sch. 17 para. 81 (with Sch. 18); S.I. 2003/1900, arts. 1(2), 2(1), Sch. 1 (with art. 3) (as amended by S.I. 2003/3142, art. 1(3)); S.I. 2003/3142, art. 3(2) (with art. 11)
- F17** Words in s. 4AA(5) substituted (8.6.2010) by Energy Act 2010 (c. 27), ss. 16(6)(a), 38(3)
- F18** S. 4AA(5)(ba) repealed (26.1.2009) by Energy Act 2008 (c. 32), ss. 83(1)(c), 110(2), Sch. 6; S.I. 2009/45, art. 2(d)(aa)(e)(vi)(i)
- F19** Words in s. 4AA(5) substituted (5.10.2004) by Energy Act 2004 (c. 20), ss. 83(b), 198(2); S.I. 2004/2575, art. 2(1), Sch. 1
- F20** Words in s. 4AA(5) omitted (8.6.2010) by virtue of Energy Act 2010 (c. 27), ss. 16(6)(b), 38(3)
- F21** S. 4AA(5A) inserted (5.10.2004) by Energy Act 2004 (c. 20), ss. 178, 198(2); S.I. 2004/2575, art. 2(1), Sch. 1
- F22** S. 4AA(5B) inserted (8.6.2010) by Energy Act 2010 (c. 27), ss. 16(7), 38(3)
- F23** Words in s. 4AA(6) substituted (26.1.2009) by Energy Act 2008 (c. 32), ss. 83(1)(d), 110(2); S.I. 2009/45, art. 2(d)(i)
- F24** Word in s. 4AA(6) inserted (8.6.2010) by Energy Act 2010 (c. 27), ss. 16(8), 38(3)
- F25** Words in s. 4AA(8) inserted (1.12.2004) by Energy Act 2004 (c. 20), ss. 149(8)(a), 198(2); S.I. 2004/2575, art. 2(2), Sch. 2

Modifications etc. (not altering text)

- C6** S. 4AA extended by 2000 c. 27, s. 5A(11), (as inserted (30.12.2003) by Sustainable Energy Act 2003 (c. 30), ss. 6, 9(8))
- C7** Ss. 4AA-4B applied (24.8.2004 for specified purposes, 5.10.2004 in so far as not already in force) by Energy Act 2004 (c. 20), ss. 190(1), 198(2); S.I. 2004/2184, art. 2(1), Sch. 1; S.I. 2004/2575, art. 2(1), Sch. 1
- C8** Ss. 4AA-4B applied (26.11.2008) by Energy Act 2008 (c. 32), ss. 102(1), 110(2)
- C9** Ss. 4AA-4A excluded (26.1.2009) (with application in accordance with s. 90 of the amending Act) by Counter-Terrorism Act 2008 (c. 28), ss. 89(3), 100(3) (with s. 101(2))
- C10** Ss. 4AA-4B applied (8.4.2010) by Energy Act 2010 (c. 27), ss. 30(1), 38(1)
- C11** Ss. 4AA-4B applied (18.12.2011) by Energy Act 2011 (c. 16), ss. 98(13), 121(3)
- C12** Ss. 4AA-4B applied (18.12.2011) by Energy Act 2011 (c. 16), ss. 78(1), 121(3)

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- C13** Ss. 4AA-4B applied (21.3.2012) by [Energy Act 2011 \(c. 16\)](#), **ss. 22(9)**, 121(1); S.I. 2012/873, art. 2(a) (v)
- C14** S. 4AA(2)(b) amended (*temp.* from 19.12.2000) by [S.I. 2000/3343](#), **art. 5** (subject to transitional provisions in [arts. 3-15](#))

Marginal Citations

- M1** 1989 c. 29.
M2 1991 c. 56.

[^{F26}4AB Guidance on social and environmental matters.

- (1) The Secretary of State shall from time to time issue guidance about the making by the Authority of a contribution towards the attainment of any social or environmental policies set out or referred to in the guidance.
- (2) The Authority shall, in carrying out its functions under this Part, have regard to any guidance issued under this section.
- (3) Before issuing guidance under this section the Secretary of State shall consult—
 - (a) the Authority;
 - [^{F27}(b) the Council;]
 - (c) licence holders; and
 - (d) such other persons as the Secretary of State considers it appropriate to consult in relation to the guidance.
- (4) A draft of any guidance proposed to be issued under this section shall be laid before each House of Parliament.
- (5) Guidance shall not be issued under this section until after the period of forty days beginning with—
 - (a) the day on which the draft is laid before each House of Parliament; or
 - (b) if the draft is laid before the House of Lords on one day and the House of Commons on another, the later of those two days.
- (6) If, before the end of that period, either House resolves that the guidance should not be issued, the Secretary of State must not issue it.
- (7) In reckoning any period of forty days for the purposes of subsection (5) or (6), no account shall be taken of any time during which—
 - (a) Parliament is dissolved or prorogued; or
 - (b) both Houses are adjourned for more than four days.
- (8) The Secretary of State shall arrange for any guidance issued under this section to be published in such manner as he considers appropriate.]

Textual Amendments

- F26** S. 4AB inserted (20.12.2000) by [2000 c. 27](#), **s. 10**; [S.I. 2000/3343](#), **art. 2**, **Sch.** (subject to transitional provisions in [arts. 3-15](#))
- F27** S. 4AB(3)(b) substituted (1.10.2008) by [Consumers, Estate Agents and Redress Act 2007 \(c. 17\)](#), **s. 66(2)**, **Sch. 7 para. 5**; [S.I. 2008/2550](#), **art. 2**, **Sch.**

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Modifications etc. (not altering text)

- C7** Ss. 4AA-4B applied (24.8.2004 for specified purposes, 5.10.2004 in so far as not already in force) by [Energy Act 2004 \(c. 20\)](#), **ss. 190(1)**, 198(2); S.I. 2004/2184, art. 2(1), Sch. 1; S.I. 2004/2575, art. 2(1), Sch. 1
- C8** Ss. 4AA-4B applied (26.11.2008) by [Energy Act 2008 \(c. 32\)](#), **ss. 102(1)**, 110(2)
- C9** Ss. 4AA-4A excluded (26.1.2009) (with application in accordance with s. 90 of the amending Act) by [Counter-Terrorism Act 2008 \(c. 28\)](#), **ss. 89(3)**, 100(3) (with s. 101(2))
- C10** Ss. 4AA-4B applied (8.4.2010) by [Energy Act 2010 \(c. 27\)](#), **ss. 30(1)**, 38(1)
- C11** Ss. 4AA-4B applied (18.12.2011) by [Energy Act 2011 \(c. 16\)](#), **ss. 98(13)**, 121(3)
- C12** Ss. 4AA-4B applied (18.12.2011) by [Energy Act 2011 \(c. 16\)](#), **ss. 78(1)**, 121(3)
- C13** Ss. 4AA-4B applied (21.3.2012) by [Energy Act 2011 \(c. 16\)](#), **ss. 22(9)**, 121(1); S.I. 2012/873, art. 2(a)(v)
- C15** S. 4AB extended by [2000 c. 27, s. 5A\(11\)](#) (as inserted (30.12.2003) by [Sustainable Energy Act 2003 \(c. 30\)](#), **ss. 6**, 9(8))

[^{F28}4A Health and safety.

- (1) The Secretary of State and the Authority shall consult [^{F29}the Health and Safety Executive] about all gas safety issues which may be relevant to the carrying out of any of their respective functions under this Part.
- (2) The Secretary of State and the Authority shall, in carrying out their respective functions under this Part, take into account any advice given by [^{F29}the Health and Safety Executive] about any gas safety issue (whether or not in response to consultation under subsection (1)).
- (3) For the purposes of this section a gas safety issue is anything concerning the conveyance of gas through pipes, or the use of gas conveyed through pipes, which may affect the health and safety of—
 - (a) members of the public; or
 - (b) persons employed in connection with the conveyance of gas through pipes or the supply of gas conveyed through pipes.]

Textual Amendments

- F28** S. 4A substituted (20.12.2000) by [2000 c. 27, s. 11](#); S.I. 2000/3343, art. 2, **Sch.**(subject to transitional provisions in arts. 3-15)
- F29** Words in s. 4A(1)(2) substituted (1.4.2008) by [The Legislative Reform \(Health and Safety Executive\) Order 2008 \(S.I. 2008/960\)](#), art. 1, **Sch. 3** (with art. 21, Sch. 2)

Modifications etc. (not altering text)

- C7** Ss. 4AA-4B applied (24.8.2004 for specified purposes, 5.10.2004 in so far as not already in force) by [Energy Act 2004 \(c. 20\)](#), **ss. 190(1)**, 198(2); S.I. 2004/2184, art. 2(1), Sch. 1; S.I. 2004/2575, art. 2(1), Sch. 1
- C8** Ss. 4AA-4B applied (26.11.2008) by [Energy Act 2008 \(c. 32\)](#), **ss. 102(1)**, 110(2)
- C9** Ss. 4AA-4A excluded (26.1.2009) (with application in accordance with s. 90 of the amending Act) by [Counter-Terrorism Act 2008 \(c. 28\)](#), **ss. 89(3)**, 100(3) (with s. 101(2))
- C10** Ss. 4AA-4B applied (8.4.2010) by [Energy Act 2010 \(c. 27\)](#), **ss. 30(1)**, 38(1)
- C11** Ss. 4AA-4B applied (18.12.2011) by [Energy Act 2011 \(c. 16\)](#), **ss. 98(13)**, 121(3)
- C12** Ss. 4AA-4B applied (18.12.2011) by [Energy Act 2011 \(c. 16\)](#), **ss. 78(1)**, 121(3)
- C13** Ss. 4AA-4B applied (21.3.2012) by [Energy Act 2011 \(c. 16\)](#), **ss. 22(9)**, 121(1); S.I. 2012/873, art. 2(a)(v)

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C16 S. 4A extended by 2000 c. 27, s. 5A(11) (as inserted (30.12.2003) by Sustainable Energy Act 2003 (c. 30), ss. 6, 9(8))

[^{F30}4B Exceptions from sections 4AA to 4A.

- (1) Section 4AA does not apply in relation to the issuing by the Secretary of State of guidance under section 4AB.
- (2) Sections 4AA to 4A do not apply in relation to anything done by the Authority—
 - (a) in the exercise of functions relating to the determination of disputes; or
 - (b) in the exercise of functions under section 36A(3).
- (3) The Authority may nevertheless, when exercising any function under section 36A(3), have regard to any matter in respect of which a duty is imposed by sections 4AA to 4A if it is a matter to which [^{F31}the Office of Fair Trading] could have regard when exercising that function.
- (4) The duties imposed by sections 4AA to 4A do not affect the obligation of the Authority or the Secretary of State to perform or comply with any other duty or requirement (whether arising under this Act or another enactment, by virtue of any [^{F32}EU] obligation or otherwise).]

Textual Amendments

- F30** S. 4B inserted (20.12.2000) by 2000 c. 27, s. 12; S.I. 2000/3343, art. 2, Sch. (subject to transitional provisions in arts. 3-15)
- F31** Words in s. 4B(3) substituted (1.4.2003) by Enterprise Act 2002 (c. 40), s. 279, Sch. 25 para. 15(2); S.I. 2003/766, art. 2, Sch. (with art. 3) (as amended (20.7.2007) by S.I. 2007/1846, reg. 3(2), Sch.)
- F32** Word in Act substituted (22.4.2011) by The Treaty of Lisbon (Changes in Terminology) Order 2011 (S.I. 2011/1043), arts. 2, 3, 6 (with art. 3(2)(3), 4(2), 6(4)(5))

Modifications etc. (not altering text)

- C7** Ss. 4AA-4B applied (24.8.2004 for specified purposes, 5.10.2004 in so far as not already in force) by Energy Act 2004 (c. 20), ss. 190(1), 198(2); S.I. 2004/2184, art. 2(1), Sch. 1; S.I. 2004/2575, art. 2(1), Sch. 1
- C8** Ss. 4AA-4B applied (26.11.2008) by Energy Act 2008 (c. 32), ss. 102(1), 110(2)
- C10** Ss. 4AA-4B applied (8.4.2010) by Energy Act 2010 (c. 27), ss. 30(1), 38(1)
- C11** Ss. 4AA-4B applied (18.12.2011) by Energy Act 2011 (c. 16), ss. 98(13), 121(3)
- C12** Ss. 4AA-4B applied (18.12.2011) by Energy Act 2011 (c. 16), ss. 78(1), 121(3)
- C13** Ss. 4AA-4B applied (21.3.2012) by Energy Act 2011 (c. 16), ss. 22(9), 121(1); S.I. 2012/873, art. 2(a) (v)
- C17** S. 4B(3) excluded (20.12.2000) by S.I. 2000/3343, art. 10(1)(b) (subject to transitional provisions in arts. 3-15)

[^{F33}4C Binding decisions of the Agency for the Cooperation of Energy Regulators and of the European Commission

The Authority must carry out its functions under this Part in the manner that it considers is best calculated to implement, or to ensure compliance with, any binding decision of the Agency or the European Commission made under the Gas Directive, the Gas Regulation or the Agency Regulation in relation to gas.]

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Textual Amendments

F33 S. 4C inserted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **32**

[^{F34} 4D Authority to consult and cooperate with other authorities

- (1) When carrying out its functions as designated regulatory authority for Great Britain, the Authority must, wherever it thinks fit—
 - (a) consult and cooperate with the Agency and the designated regulatory authorities for Northern Ireland and other Member States;
 - (b) provide the Agency and the designated regulatory authorities for Northern Ireland and other Member States with information they may require in order to carry out their functions under the Gas Directive, the Gas Regulation or the Agency Regulation as it applies in relation to gas; and
 - (c) consult relevant national authorities.
- (2) In exercising functions in accordance with subsection (1), the Authority must, wherever it thinks fit, cooperate with the designated regulatory authorities for Northern Ireland and other Member States within a region which includes Great Britain with a view, within that region, to—
 - (a) the integration of national markets;
 - (b) the promotion and facilitation of cooperation between transmission system operators;
 - (c) the optimal management of gas networks;
 - (d) the promotion of jointly managed cross-border trade in gas and the allocation of cross-border capacity;
 - (e) ensuring an adequate level of interconnection capacity;
 - (f) the coordination of the development of network codes; and
 - (g) the coordination of the regulation of gas markets, including rules concerning the management of congestion of gas networks.
- (3) In this section—

“network code” means a network code developed under Article 6 of the Gas Regulation and adopted by the European Commission;

“region” includes a geographical area defined in accordance with Article 12(3) of the Gas Regulation; and

“relevant national authority” means any of the following—

 - (a) the Competition Commission;
 - (b) the Office of Communications;
 - (c) the Office of Fair Trading;
 - (d) the Water Services Regulation Authority.]

Textual Amendments

F34 S. 4D inserted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **34**

Status: Point in time view as at 21/03/2012.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 09 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

[^{F35} Licensing of activities relating to gas]

Textual Amendments

F35 S. 5 and cross-heading preceding it substituted (1.3.1996) by 1995 c. 45, s. 3; S.I. 1996/218, art. 2

5 ^{F36}**[Prohibition on unlicensed activities]**

- (1) Subject to section 6A below and Schedule 2A to this Act, a person who—
- (a) [^{F37}otherwise than by means of a gas interconnector] conveys gas through pipes to any premises, or to a pipe-line system operated by a [^{F38}gas transporter];
 - ^{F39}(aa) participates in the operation of a gas interconnector;
 - (b) supplies to any premises gas which has been conveyed to those premises through pipes; or
 - (c) arranges with a [^{F38}gas transporter] for gas to be introduced into, conveyed by means of or taken out of a pipe-line system operated by that transporter,
- shall be guilty of an offence unless he is authorised to do so by a licence.
- (2) The exceptions to subsection (1) above which are contained in Schedule 2A to this Act shall have effect.
- (3) A person guilty of an offence under this section shall be liable—
- (a) on summary conviction to a fine not exceeding the statutory maximum;
 - (b) on conviction on indictment, to a fine.
- (4) No proceedings shall be instituted in England and Wales in respect of an offence under this section except by or on behalf of the Secretary of State or the Director.
- (5) Any reference in this Part to the conveyance by any person of gas through pipes to any premises is a reference to the conveyance by him of gas through pipes to those premises with a view to the gas being supplied to those premises by any person, or being used in those premises by the holder of a licence under section 7A(2) below.
- ^{F40}(6) A reference in this Part to participating in the operation of a gas interconnector is a reference to—
- (a) co-ordinating and directing the conveyance of gas into or through a gas interconnector; or
 - (b) making such an interconnector available for use for the conveyance of gas.
- (7) For the purposes of subsection (6)(b) a person shall not be regarded as making something available just because he consents to its being made available by another.
- (8) In this Part “gas interconnector” means so much of any pipeline system as—
- (a) is situated at a place within the jurisdiction of Great Britain; and
 - (b) subsists wholly or primarily for the purposes of the conveyance of gas (whether in both directions or in only one) between Great Britain and another country or territory.
- (9) For the purposes of this section a place is within the jurisdiction of Great Britain if it is in Great Britain, in the territorial sea adjacent to Great Britain or in an area designated under section 1(7) of the Continental Shelf Act 1964.

Status: Point in time view as at 21/03/2012.

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(10) In this section “pipe-line system” includes the pipes and any associated apparatus comprised in that system.]

Textual Amendments

- F36** S. 5 and cross-heading substituted (1.3.1996) by 1995 c. 45, s. 3; S.I. 1996/218, art. 2
- F37** Words in s. 5(1)(a) inserted (14.8.2006) by Energy Act 2004 (c. 20), ss. 149(2)(a), 198(2); S.I. 2006/1964, art. 2, Sch.
- F38** Words in s. 5(1)(a)(c) substituted (1.10.2001) by 2000 c. 27, s. 108, Sch. 6, Pt. I para. 3; S.I. 2001/3266, art. 2, Sch. (subject to transitional provisions in arts. 3-20)
- F39** S. 5(1)(aa) inserted (14.8.2006) by Energy Act 2004 (c. 20), ss. 149(2)(b), 198(2); S.I. 2006/1964, art. 2, Sch.
- F40** S. 5(6)-(10) inserted (1.12.2004) by Energy Act 2004 (c. 20), ss. 149(3), 198(2); S.I. 2004/2575, art. 2(2), Sch. 2

Modifications etc. (not altering text)

- C18** S. 5(1)(a) excluded (8.11.1995 with effect as mentioned in Sch. 5 Pt. II para. 16(1) of the amending Act) by 1995 c. 45, s. 17(1), Sch. 5 Pt. II para. 16(1)(a); S.I. 1996/218, art. 2
S. 5(1)(a) excluded (14.10.1999) (*temp.* to 1.3.2011 unless revoked earlier) by S.I. 1999/2639, arts. 1(2)(3), 3, 4-6, 7(1)
S. 5(1)(a) restricted (9.12.1999) (*temp.* to 1.3.2011 unless revoked earlier) by S.I. 1999/3089, arts. 1(2)(3), 3, 5(1)
- C19** S. 5(1)(a)-(c) excluded (8.11.1995 for specified purposes) by 1995 c. 45, s. 17(1), Sch. 5 Pt. II para. 17(1)(a)
- C20** S. 5(1)(a) excluded (1.12.1996) by S.I. 1996/2795, arts. 3, 4
- C21** S. 5(1)(b) excluded (8.11.1995) by 1995 c. 45, s. 17(1), Sch. 5 Pt. II para. 16(1)(b); S.I. 1996/218, art. 2
S. 5(1)(b) excluded (14.10.1999) (*temp.* to 1.3.2011 unless revoked earlier) by S.I. 1999/2639, arts. 1(2)(3), 3, 4-6, 7(2)
S. 5(1)(b) restricted (9.12.1999) (*temp.* to 1.3.2011 unless revoked earlier) by S.I. 1999/3089, arts. 1(2)(3), 5(2)
- C22** S. 5(1)(c) modified (8.11.1995) by 1995 c. 45, s. 17(1), Sch. 5 Pt. II paras. 18(1)

^{F41}6

Textual Amendments

- F41** S. 6 repealed (1.3.1996) by 1995 c. 45, ss. 3(3), 17(5), Sch. 6; S.I. 1996/218, art. 2

[^{F42}6A Exemptions from prohibition.

- (1) The Secretary of State may, ^{F43}... by order grant exemption from paragraph (a)[^{F44}, (aa)], (b) or (c) of section 5(1) above—
 - (a) either to a person or to persons of a class;
 - (b) either generally or to such extent as may be specified in the order; and
 - (c) either unconditionally or subject to such conditions as may be so specified.

[^{F45}(1A) Before making an order under subsection (1) the Secretary of State shall give notice—

Status: Point in time view as at 21/03/2012.

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- (a) stating that he proposes to make such an order and setting out the terms of the proposed order;
- (b) stating the reasons why he proposes to make the order in the terms proposed; and
- (c) specifying the time (not being less than 28 days from the date of publication of the notice) within which representations with respect to the proposals may be made,

and shall consider any representations which are duly made in respect of the proposals and not withdrawn.

(1B) The notice required by subsection (1A) shall be given—

- (a) by serving a copy of it on the Authority and the Council; and
- (b) by publishing it in such manner as the Secretary of State considers appropriate for bringing it to the attention of those likely to be affected by the proposed order.]

[Notice of an exemption granted to a person shall be given—

- ^{F46}(2) (a) by serving a copy of the exemption on him; and
- (b) by publishing the exemption in such manner as the Secretary of State considers appropriate for bringing it to the attention of other persons who may be affected by it.

(2A) Notice of an exemption granted to persons of a class shall be given by publishing the exemption in such manner as the Secretary of State considers appropriate for bringing it to the attention of—

- (a) persons of that class; and
- (b) other persons who may be affected by it.

(3) An exemption may be granted—

- (a) indefinitely; or
- (b) for a period specified in, or determined by or under, the exemption.]

(4) Without prejudice to the generality of paragraph (c) of subsection (1) above, conditions included by virtue of that paragraph in an exemption may require any person carrying on any activity in pursuance of the exemption—

- (a) to comply with any direction given by the Secretary of State or the Director as to such matters as are specified in the exemption or are of a description so specified;
- (b) except in so far as the Secretary of State or the Director consents to his doing or not doing them, not to do or to do such things as are specified in the exemption or are of a description so specified; and
- (c) to refer for determination by the Secretary of State or the Director such questions arising under the exemption as are specified in the exemption or are of a description so specified.

[The Secretary of State may by order revoke an order by which an exemption was ^{F47}(5) granted to a person or vary an order by which more than one exemption was so granted so as to terminate any of the exemptions—

- (a) at the person's request;
- (b) in accordance with any provision of the order by which the exemption was granted; or

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- (c) if it appears to the Secretary of State inappropriate that the exemption should continue to have effect.
- (6) The Secretary of State may by order revoke an order by which an exemption was granted to persons of a class or vary an order by which more than one exemption was so granted so as to terminate any of the exemptions—
 - (a) in accordance with any provision of the order by which the exemption was granted; or
 - (b) if it appears to the Secretary of State inappropriate that the exemption should continue to have effect.
- (7) The Secretary of State may by direction withdraw an exemption granted to persons of a class from any person of that class—
 - (a) at the person's request;
 - (b) in accordance with any provision of the order by which the exemption was granted; or
 - (c) if it appears to the Secretary of State inappropriate that the exemption should continue to have effect in the case of the person.
- (8) Before—
 - (a) making an order under subsection (5)(b) or (c) or (6); or
 - (b) giving a direction under subsection (7)(b) or (c),the Secretary of State shall consult the Authority and give notice of his proposal to do so (with reasons) and of a period within which representations may be made to him.
- (9) The notice under subsection (8) shall be given—
 - (a) where the Secretary of State is proposing to make an order under subsection (5)(b) or (c), by serving a copy of it on the person to whom the exemption was granted;
 - (b) where he is proposing to make an order under subsection (6), by publishing it in such manner as the Secretary of State considers appropriate for bringing it to the attention of persons of the class of persons to whom the exemption was granted; and
 - (c) where he is proposing to give a direction under subsection (7)(b) or (c), by serving a copy of it on the person from whom he proposes to withdraw the exemption.]]

Textual Amendments

- F42** S. 6A substituted (1.3.1996) by 1995 c. 45, s. 4; S.I. 1996/218, art. 2
- F43** Words in s. 6A(1) repealed (1.10.2001) by 2000 c. 27, ss. 86(1), 108, Sch. 8; S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F44** Words in s. 6A(1) inserted (14.8.2006) by Energy Act 2004 (c. 20), ss. 149(4), 198(2); S.I. 2006/1964, art. 2, Sch.
- F45** S. 6A(1A)(1B) inserted (1.10.2001) by 2000 c. 27, s. 86(2); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F46** S. 6A(2)(2A)(3) substituted (1.10.2001) for s. 6A(2)(3) by 2000 c. 27, s. 86(3); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F47** S. 6A(5)-(9) substituted (1.10.2001) for s. 6A(5) by 2000 c. 27, s. 86(4); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

Status: Point in time view as at 21/03/2012.

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[^{F48}6B Duties of distribution exemption holders

Schedule 2AA (which relates to the duties of distribution exemption holders) has effect.

Textual Amendments

F48 Ss. 6B , 6C inserted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **20(2)**

6C Duties of supply exemption holders

Schedule 2AB (which relates to the duties of supply exemption holders) has effect.]

Textual Amendments

F48 Ss. 6B , 6C inserted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **20(2)**

[^{F497} Licensing of public gas transporters.

- (1) In this Part “[^{F50}gas transporter]” means the holder of a licence under this section except where the holder is acting otherwise than for purposes connected with—
- (a) the carrying on of activities authorised by the licence;
 - (b) the conveyance of gas through pipes which—
 - (i) are situated in an authorised area of his; or
 - (ii) are situated in an area which was an authorised area of his, or an authorised area of a previous holder of the licence, and were so situated at a time when it was such an area; or
 - (c) the conveyance through pipes of gas which is in the course of being conveyed to or from a country or territory outside Great Britain.

- (2) Subject to [^{F51}subsections (3) and (3A)] below, the Director may grant a licence authorising any person to do either or both of the following, namely—

- (a) to convey gas through pipes to any premises in an authorised area of his, that is to say, [^{F52}any area specified in the licence as it has effect for the time being;]
- (b) to convey gas through pipes either to any pipe-line system operated by another [^{F53}gas transporter], or to any pipe-line system so operated which is specified in the licence or an extension of the licence.

- (3) A licence shall not be granted under this section to a person who is the holder of a licence under section [^{F54}7ZA or] 7A below.

[A licence authorising the conveyance of gas through pipes to any premises must not ^{F55}(3A) be granted under this section to a person who is a gas producer unless it is a condition of the licence that the person must not convey gas through pipes to 100,000 or more sets of premises.]

- (4) [^{F56}Subject to subsection (3A), the] Director may, with the consent of the licence holder, direct that any licence under this section shall have effect—

Status: Point in time view as at 21/03/2012.

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- (a) as if any area or pipe-line system specified in the direction were specified in the licence;
- (b) in the case of a licence under subsection (2)(a) above, as if it were also a licence under subsection (2)(b) above and any pipe-line system specified in the direction were specified in the licence; or
- (c) in the case of a licence under subsection (2)(b) above, as if it were also a licence under subsection (2)(a) above and any area specified in the direction were specified in the licence;

and references in this Part to, or to the grant of, an extension under this section, or an extension of such a licence, shall be construed as references to, or to the giving of, such a direction.

[The Authority may, with the consent of the licence holder, direct that any licence under ^{F57}(4A) this section shall have effect as if any area or pipe-line system specified in the direction were not specified in the licence; and references in this Part to, or to the grant of, a restriction under this section, or a restriction of such a licence, shall be construed as references to, or to the giving of, such a direction.]

- (5) Before granting a licence ^{F58} . . . under this section, the Director shall give notice—
 - (a) stating that he proposes to grant the licence ^{F58} . . . ;
 - (b) stating the reasons why he proposes to grant the licence ^{F58} . . . ; and
 - (c) specifying the time from the date of publication of the notice (not being less than two months ^{F58} . . .) within which representations or objections with respect to the proposed licence ^{F58} . . . may be made,

and shall consider any representations or objections which are duly made and not withdrawn.

- (6) A notice under subsection (5) above shall be given—
 - (a) by publishing the notice in such manner as the Director considers appropriate for bringing it to the attention of persons likely to be affected by the grant of the licence ^{F58} . . . ; and
 - (b) by sending a copy of the notice to the Secretary of State, to the Health and Safety Executive and to any [^{F53}gas transporter] whose area includes the whole or any part of the area proposed to be specified in the licence ^{F58} . . .

^{F59}(7)

^{F59}(8)

- (9) As soon as practicable after the granting of a licence under this section, the [^{F53}gas transporter] shall publish, in such manner as the Director considers appropriate for bringing it to the attention of persons who are likely to do business with the transporter, a notice—
 - (a) stating that the licence has been granted; and
 - (b) explaining that, as a result, it might be necessary for those persons to be licensed under section 7A below.

(10) In this section—

- [“gas producer” means a person who—
 - ^{F60}(za) (i) gets natural gas from its natural condition in strata otherwise than as an unintended consequence of the storage of gas, and requires a licence under section 3 of the Petroleum Act 1998 (licences to search

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and bore for and get petroleum) to do so or would require such a licence if getting the gas in Great Britain; or

(ii) produces any other gas, including in particular biomethane, which is suitable for conveyance through pipes to premises in accordance with a licence under section 7;]

- (a) “relevant main” has the same meaning as in section 10 below;
- (b) references to an area specified in a licence or direction include references to an area included in an area so specified; and
- (c) references to a pipe-line system specified in a licence or direction include references to a pipe-line system of a description, or situated in an area, so specified.

F61(11).....]

Textual Amendments

- F49** S. 7 substituted (1.3.1996) by 1995 c. 45, s. 5; S.I. 1996/218, art. 2
- F50** Words in s. 7(1) substituted (1.10.2001) by 2000 c. 27, s. 76(2); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F51** Words in s. 7(2) substituted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), 18(2)
- F52** Words in s. 7(2)(a) and word “and” preceding para. (b) substituted (1.10.2001) by 2000 c. 27, s. 76(3); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F53** Words in s. 7(2)(b)(6)(b)(9) substituted (1.10.2001) by 2000 c. 27, s. 108, Sch. 6, Pt. I para. 4; S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F54** Words in s. 7(3) inserted (1.12.2004) by Energy Act 2004 (c. 20), ss. 149(5), 198(2); S.I. 2004/2575, art. 2(2), Sch. 2
- F55** S. 7(3A) inserted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), 18(3)
- F56** Words in s. 7(4) substituted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), 18(4)
- F57** S. 7(4A) inserted (1.10.2001) by 2000 c. 27, s. 76(4); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F58** Words in s. 7(5)(6) repealed (1.10.2001) by 2000 c. 27, ss. 76(5), 108, Sch. 8; S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F59** S. 7(7)(8) repealed (1.10.2001) by 2000 c. 27, ss. 76(6), 108, Sch. 8; S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F60** S. 7(10)(za) inserted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), 18(5)
- F61** S. 7(11) repealed (1.10.2001) by 2000 c. 27, s. 108, Sch. 8; S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

Modifications etc. (not altering text)

- C23** S. 7 amended (16.5.2001) by 2000 c. 27, s. 81(1); S.I. 2001/1781, art. 2, Sch. (subject to transitional provisions in arts. 3-10)
S. 7 amended (1.10.2001) by 2000 c. 27, s. 76(1); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- C24** S. 7 applied (with modifications) (8.11.1995) by 1995 c. 45, s. 17(1), Sch. 5 Pt. II para. 15(1)(4); S.I. 1996/218, art. 2
- C25** S. 7 extended (8.11.1995) by 1995 c. 45, s. 17(1), Sch. 5 Pt. I para. 1(1)(a); S.I. 1996/218, art. 2

Status: Point in time view as at 21/03/2012.

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[^{F62}7ZA Licences for operation of gas interconnectors

- (1) Subject to subsection (2), the Authority may grant a licence authorising any person to participate in the operation of a gas interconnector.
- (2) A licence shall not be granted under this section to a person who is the holder of a licence under section 7 or 7A.
- (3) A licence under this section—
 - (a) must specify the interconnector or interconnectors in relation to which participation is authorised; and
 - (b) may limit the forms of participation in the operation of an interconnector which are authorised by the licence.]

Textual Amendments

F62 S. 7ZA inserted (1.12.2004) by [Energy Act 2004 \(c. 20\)](#), **ss. 149(6)**, 198(2); S.I. 2004/2575, art. 2(2), Sch. 2

Modifications etc. (not altering text)

C26 S. 7ZA modified (1.12.2004) by [Energy Act 2004 \(c. 20\)](#), **ss. 152(2)**, 198(2); S.I. 2004/2575, art. 2(2), Sch. 2

[^{F63}7A Licensing of gas suppliers and gas shippers.

- (1) Subject to subsection (3) below, the Director may grant a licence authorising any person to do either or both of the following, namely—
 - (a) to supply, to any premises specified in the licence, gas which has been conveyed through pipes to those premises; and
 - (b) to supply, to any premises at a rate which, at the time when he undertakes to give the supply, he reasonably expects to exceed 2,500 therms a year, gas which has been conveyed through pipes to those premises.
- (2) Subject to subsection (3) below, the Director may grant a licence authorising any person to arrange with any [^{F64}gas transporter] for gas to be introduced into, conveyed by means of or taken out of a pipe-line system operated by that transporter, either generally or for purposes connected with the supply of gas to any premises specified in the licence.
- (3) A licence shall not be granted under this section to a person who is the holder of a licence under section 7 [^{F65}or 7ZA] above.
- (4) The Director may, with the consent of the licence holder, direct that any licence under this section shall have effect—
 - (a) as if any premises specified in the direction were specified in the licence; or
 - (b) in the case of a licence under subsection (1)(b) above, as if it were also a licence under subsection (1)(a) above and any premises specified in the direction were specified in the licence,and references in this Part to, or to the grant of, an extension under this section, or an extension of such a licence, shall be construed as references to, or to the giving of, such a direction.

Status: Point in time view as at 21/03/2012.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 09 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (5) Subsection (4) above shall not apply in relation to a licence under subsection (1) above which authorises only the supply to premises of gas which has been conveyed to the premises otherwise than by a [^{F64}gas transporter].
- (6) The Director may, with the consent of the licence holder, direct that any licence under this section shall have effect as if any premises specified in the direction were not specified in the licence; and references in this Part to, or to the grant of, a restriction under this section, or a restriction of such a licence, shall be construed as references to, or to the giving of, such a direction.
- (7) In this section references to premises specified in a licence or direction include references to premises of a description, or situated in an area, so specified.
- (8) The Director shall not, in any licence under subsection (1) above, or in any extension or restriction of such a licence, specify any premises by description or area if he is of the opinion that the description or area has been so framed as—
- (a) in the case of a licence or extension, artificially to exclude from the licence or extension; or
 - (b) in the case of a restriction, artificially to include in the restriction, premises likely to be owned or occupied by persons who are chronically sick, disabled or of pensionable age, or who are likely to default in the payment of charges.
- (9) If the holder of a licence under subsection (1) above applies to the Director for a restriction of the licence, or for the revocation of the licence in accordance with any term contained in it, the Director shall, subject to subsection (8) above, accede to the application if he is satisfied that such arrangements have been made as—
- (a) will secure continuity of supply for all relevant consumers; and
 - (b) in the case of each such consumer who is supplied with gas in pursuance of a contract, will secure such continuity on the same terms as nearly as may be as the terms of the contract.
- (10) A person is a relevant consumer for the purposes of subsection (9) above if—
- (a) immediately before the restriction or revocation takes effect, he is being supplied with gas by the holder of the licence; and
 - (b) in the case of a restriction, his premises are excluded from the licence by the restriction;
- and in that subsection “contract” does not include any contract which, by virtue of paragraph 8 of Schedule 2B to this Act, is deemed to have been made.
- (11) In this Part “gas supplier” and “gas shipper” mean respectively the holder of a licence under subsection (1) above, and the holder of a licence under subsection (2) above, except (in either case) where the holder is acting otherwise than for purposes connected with the carrying on of activities authorised by the licence.
- (12) Any reference in this Part (however expressed) to activities authorised by a licence under subsection (1) above shall be construed without regard to any exception contained in Schedule 2A to this Act.]

Textual Amendments

F63 S. 7A inserted (1.3.1996) by 1995 c. 45, s. 6; S.I. 1996/218, art. 2

F64 Words in S. 7A(2)(5) substituted (1.10.2001) by 2000 c. 27, s. 108, Sch. 6 Pt. I para. 2(1); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

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F65 Words in s. 7A(3) inserted (1.12.2004) by Energy Act 2004 (c. 20), ss. 149(7), 198(2); S.I. 2004/2575, art. 2(2), Sch. 2

Modifications etc. (not altering text)

- C27** S. 7A applied (with modifications) (8.11.1995) by 1995 c. 45, s. 17(1), Sch. 5 Pt. II para. 15(1)(4); S.I. 1996/218, art. 2
S. 7A applied (with modifications) (1.3.1996) by S.I. 1996/399, art. 2(2)
- C28** S. 7A(1) extended (8.11.1995) by 1995 c. 45, s. 17(1), Sch. 5 Pt. I para. 1(1)(b), Pt. II para. 16(1)(b); S.I. 1996/218, art. 2
- C29** S. 7A(1)(2) amended (1.10.2001) by 2000 c. 27, s. 81(1); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- C30** S. 7A(2) extended (8.11.1995) by 1995 c. 45, s. 17(1), Sch. 5 Pt. I para. 1(1)(c), Pt. II para. 16(1)(c); S.I. 1996/218, art. 2

[^{F66}7B Licences: general.

- (1) An application for a licence or an extension or restriction of a licence shall be made in such form and manner, and shall contain, or be accompanied by, such information and documents and such fee (if any), as may be prescribed.
- (2) Within the prescribed period after the making of an application for a licence or an extension or restriction of a licence, the applicant shall—
 - (a) publish a notice of the application in the prescribed manner; and
 - (b) in the case of an application for a licence or extension under section 7 above, give notice of the application to any [^{F67}gas transporters] whose authorised area includes the whole or any part of the area to which the application relates.

[Where the Authority proposes to refuse the application, it shall give to the applicant ^{F68}(2A) a notice—

- (a) stating that it proposes to refuse the application;
- (b) stating the reasons why it proposes to refuse the application; and
- (c) specifying the time within which representations with respect to the proposed refusal may be made,

and shall consider any representations which are duly made and not withdrawn.]

- (3) A licence or an extension or restriction of a licence shall be in writing and, unless revoked or suspended in accordance with any term contained in it, a licence shall continue in force for such period as may be specified in or determined by or under the licence.
- (4) A licence may include—
 - (a) such conditions (whether or not relating to the activities authorised by the licence) as appear to the Director to be requisite or expedient having regard to the duties imposed by [^{F69}sections 4AA, 4AB and 4A];
 - ^{F70}(b)
 - (c) conditions requiring the rendering to the Director of a payment on the grant of the licence or payments during the currency of the licence or both of such amount or amounts as may be determined by or under the licence; ^{F71}. . .
 - ^{F71}(d)

[Without prejudice to the generality of paragraph (a) of subsection (4), conditions ^{F72}(4A) included in a licence under section 7 by virtue of that paragraph—

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- (a) may require the licence holder to enter into agreements with other persons for the use of any pipe-line system of his (wherever situated and whether or not used for the purpose of carrying on the activities authorised by the licence) for such purposes as may be specified in the conditions;
 - (b) may include provision for determining the terms on which such agreements are to be entered into.]
- (5) Without prejudice to the generality of paragraph (a) of subsection (4) above—
- (a) conditions included by virtue of that paragraph in a licence may—
 - (i) require the holder to comply with any direction given by the Director or the Secretary of State as to such matters as are specified in the licence or are of a description so specified;
 - (ii) require the holder, except in so far as the Director or the Secretary of State consents to his doing or not doing them, not to do or to do such things as are specified in the licence or are of a description so specified; and
 - (iii) provide for the determination by the Director, the Secretary of State or the Health and Safety Executive of such questions arising under the licence, or under any document [F73 referred to] in the licence, as are specified in the licence or are of a description so specified; and
 - (b) conditions included by virtue of that paragraph in a licence under section 7 above may require the holder, in such circumstances as are specified in the licence—
 - (i) so to increase his charges for the conveyance of gas as to raise such amounts as may be determined by or under the conditions; and
 - (ii) to pay the amounts so raised to such holders of licences under section 7A above as may be so determined.
- (6) Conditions included in a licence may—
- (a) impose requirements by reference to designation, acceptance or approval by the Director, the Secretary of State or the Health and Safety Executive; and
 - (b) provide for references in the conditions to any document F74. . . to operate as references to that document as revised or re-issued from time to time.
- (7) Conditions included in a licence may contain provision for the conditions to—
- (a) have effect or cease to have effect at such times and in such circumstances as may be determined by or under the conditions; or
 - (b) be modified in such manner as may be specified in the conditions at such times and in such circumstances as may be so determined.
- (8) Any provision included in a licence by virtue of subsection (7) above shall have effect in addition to the provision made by this Part with respect to the modification of the conditions of a licence.
- (9) As soon as practicable after granting a licence or an extension or restriction of a licence, the Director shall send a copy of the licence or extension or restriction—
- (a) to the Health and Safety Executive; F75. . .
 - (b) in the case of a licence [F76, extension or restriction] under section 7 above, to any public gas transporter whose authorised area [F77 includes] the whole or any part of the area specified in the licence [F76, extension or restriction] [F78]; and.

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(c) to any other person who holds a licence and whose interests may, in the opinion of the Authority, be affected by the grant.]

(10) Any sums received by the Director under or by virtue of this section shall be paid into the Consolidated Fund.]

[^{F79}(11) In this section “prescribed” means prescribed in regulations made by the Authority.]

Textual Amendments

- F66** S. 7B inserted (1.3.1996) by 1995 c. 45, s. 7; S.I. 1996/218, art. 2
- F67** Words in s. 7B(2)(b)(9)(b) substituted (16.5.2001 for certain purposes and otherwise 1.10.2001) by 2000 c. 27, s. 108, Sch. 6 Pt. I para. 2(1); S.I. 2001/1781, art. 2, Sch. (subject to transitional provisions in arts. 3-10); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F68** S. 7B(2A) inserted (1.10.2001) by 2000 c. 27, s. 74(2); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F69** Words in s. 7B(4)(a) substituted (20.12.2000) by 2000 c. 27, s. 74(3)(a); S.I. 2000/3343, art. 2, Sch. (subject to transitional provisions in arts. 3-15)
- F70** S. 7B(4)(b) omitted (20.12.2000) by virtue of 2000 c. 27, s. 74(3)(b); S.I. 2000/3343, art. 2, Sch. (subject to transitional provisions in arts. 3-15) and repealed (1.10.2001) by 2000 c. 27, s. 108, Sch. 8; S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F71** S. 7B(4)(d) and word “and” preceding it repealed (7.11.2000) by 2000 c. 27, s. 108, Sch. 6 Pt. I para. 5, Sch. 8; S.I. 2000/2974, art. 2, Sch. (subject to transitional provisions in arts. 3-12)
- F72** S. 7B(4A) inserted (16.5.2001 for certain purposes and otherwise 1.10.2001) by 2000 c. 27, s. 74(4); S.I. 2001/1781, art. 2, Sch. (subject to transitional provisions in arts. 3-10); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F73** Words s. 7B(5)(a)(iii) substituted (16.5.2001 for certain purposes and otherwise 1.10.2001) by 2000 c. 27, s. 74(5); S.I. 2001/1781, art. 2, Sch. (subject to transitional provisions in arts. 3-10); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F74** Words in s. 7B(6) shall cease to have effect (16.5.2001 for certain purposes and otherwise 1.10.2001) by 2000 c. 27, s. 74(6); S.I. 2001/1781, art. 2, Sch. (subject to transitional provisions in arts. 3-10); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20) and are repealed (1.10.2001) by 2000 c. 27, s. 108, Sch. 8; S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F75** S. 7B(9): word “and” preceding para. (b) repealed (1.10.2001) by 2000 c. 27, s. 108, Sch. 8; S.I. 2001/3266, art. 2, Sch. (subject to transitional provisions in arts. 3-20)
- F76** Words in s. 7B(9)(b) substituted (1.10.2001) by 2000 c. 27, s. 108, Sch. 6, Pt. I para. 6(a)(i); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F77** Word in s. 7B(9)(b) substituted (1.10.2001) by 2000 c. 27, s. 108, Sch. 6 Pt. I para. 6(a)(ii); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F78** S. 7B(9)(c) and the word “and” immediately preceding (1.10.2001) by 2000 c. 27, s. 108, Sch. 6, Pt. I para. 6(b); S.I. 2001/3266, art. 2, Sch. (subject to transitional provisions in arts. 3-20)
- F79** S. 7B(10) inserted (16.5.2001 for certain purposes, otherwise 1.10.2001) by 2000 c. 27, s. 74(7); S.I. 2001/1781, art. 2, Sch. (subject to transitional provisions in arts. 3-10); S.I. 2001/3266, art. 2, Sch. (subject to transitional provisions in arts. 3-20)

Modifications etc. (not altering text)

- C31** S. 7B applied (with modifications) (1.3.1996) by S.I. 1996/399, art. 2(2)
- C32** S. 7B applied (with modifications) (8.11.1995) by 1995 c. 45, s. 17(1), Sch. 5 Pt. II para. 15(1)(4); S.I. 1996/218, art. 2

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C33 S. 7B applied (with modifications) (1.12.2004) by [Energy Act 2004 \(c. 20\)](#), **ss. 152(3)**, 198(2); S.I. 2004/2575, art. 2(2), Sch. 2

[^{F80}8 Standard conditions of licences.

- (1) Subject to subsections (2) and (3) ^{F81}... each condition which by virtue of [^{F82}section 81(2) of the Utilities Act 2000][^{F83}or section 150 of the Energy Act 2004] is a standard condition for the purposes of—
- (a) licences under section 7 above;
- [licences under section 7ZA above;]
- ^{F84}(aa)
- (b) licences under subsection (1) of section 7A above; or
- (c) licences under subsection (2) of that section,
- shall be incorporated (that is to say, incorporated by reference) in each licence under that section or, as the case may be, that subsection.
- (2) Subsection (1) above shall not apply in relation to a licence under section 7A(1) above which authorises only the supply to premises of gas which has been conveyed to the premises otherwise than by a [^{F85}gas transporter].
- (3) Subject to the following provisions of this section, the Director may, in granting a licence, modify any of the standard conditions to such extent as he considers requisite to meet the circumstances of the particular case.
- (4) Before making any modifications under subsection (3) above, the Director shall give notice—
- (a) stating that he proposes to make the modifications and setting out their effect;
- (b) stating the reasons why he proposes to make the modifications; and
- (c) specifying the time (not being less than 28 days from the date of publication of the notice) within which representations or objections with respect to the proposed modifications may be made,
- and shall consider any representations or objections which are duly made and not withdrawn.
- (5) A notice under subsection (4) above shall be given—
- (a) by publishing the notice in such manner as the Director considers appropriate for the purpose of bringing the notice to the attention of persons likely to be affected by the making of the modifications; and
- (b) by sending a copy of the notice to the Secretary of State, to the Health and Safety Executive and to the Council.
- (6) If, within the time specified in the notice under subsection (4) above, the Secretary of State directs the Director not to make any modification, the Director shall comply with the direction.
- [The Authority shall not make any modifications under subsection (3) above of
- ^{F86}(6A) a condition of a licence under section 7ZA unless it is of the opinion that the modifications are such that—
- (a) the licence holder would not be unduly disadvantaged in competing with one or more other holders of licences under that section; and

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- (b) no other holder of a licence under that section would be unduly disadvantaged in competing with the holder of the licence to be modified or with any one or more other holders of licences under that section.]
- (7) The Director shall not make any modifications under subsection (3) above of a condition of a licence under subsection (1) or (2) of section 7A above unless he is of the opinion that the modifications are such that
- [the licence holder would not be unduly disadvantaged in competing with other
- ^{F87}(a) holders of a licence under that subsection; and
- (b)] no other holder of such a licence would be unduly disadvantaged in competing with other holders of such licences (including the holder of the licence [^{F87}being modified])
- (8) The modification under subsection (3) above of a condition of a licence shall not prevent so much of the condition as is not so modified being regarded as a standard condition for the purposes of this Part.
- (9) In this section “modify” includes fail to incorporate and “modification” shall be construed accordingly.]

Textual Amendments

- F80** S. 8 substituted (1.3.1996) by 1995 c. 45, s. 8(1); S.I. 1996/218, art. 2
- F81** Words in s. 8(1) repealed (1.10.2001) by 2000 c. 27, ss. 81(3)(a), 108, Sch. 8; S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F82** Words in s. 8(1) substituted (1.10.2001) by 2000 c. 27, s. 81(3)(b); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F83** Words in s. 8(1) inserted (1.4.2005) by Energy Act 2004 (c. 20), ss. 150(6)(a), 198(2); S.I. 2005/877, art. 2(1), Sch. 1
- F84** S. 8(1)(aa) inserted (1.4.2005) by Energy Act 2004 (c. 20), ss. 150(6)(b), 198(2); S.I. 2005/877, art. 2(1), Sch. 1
- F85** Words in s. 8 substituted (1.10.2001) by 2000 c. 27, s. 108, Sch. 6 Pt. I para. 2(1); S.I. 2001/3266, art. 2, Sch. (subject to transitional provisions in arts. 3-20)
- F86** S. 8(6A) inserted (1.12.2004) by Energy Act 2004 (c. 20), ss. 150(7), 198(2); S.I. 2004/2575, art. 2(2), Sch. 2
- F87** Words in s. 8(7) inserted (1.10.2001) by 2000 c. 27, s. 82(1); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

Modifications etc. (not altering text)

- C34** S. 8 applied (with modifications) (1.12.2004) by Energy Act 2004 (c. 20), ss. 152(3), 198(2); S.I. 2004/2575, art. 2(2), Sch. 2

[^{F88}8AA Transfer of licences.

- (1) A licence—
- (a) shall be capable of being transferred by the licence holder, with the consent of the Authority, in accordance with this section and subject to any term of the licence relating to its transfer;
- (b) may include conditions which must be complied with before the licence can be transferred.
- (2) A transfer may relate to the whole or any part of the licence.

Status: Point in time view as at 21/03/2012.

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- (3) The reference in subsection (2) to part of a licence is a reference to a part of the activities authorised by the licence (whether described by reference to activities being carried on by the licence holder or to activities which he is authorised to carry on).
- (4) Such consent may be given subject to compliance with such modification or other conditions as the Authority considers necessary or expedient.
- (5) In the case of a partial transfer, conditions imposed under subsection (4) may make as respects so much of the licence as is proposed to be retained by the transferor provision different from that made as respects so much of the licence as is proposed to be transferred.
- (6) In deciding whether to give its consent to a proposed transfer, the Authority shall apply the same criteria as it would apply if the Authority were deciding whether—
 - (a) in the case of a general transfer, to grant a corresponding licence to the transferee; or
 - (b) in the case of a partial transfer—
 - (i) to grant to the transferee a licence corresponding to so much of the licence as is proposed to be transferred; and
 - (ii) to grant to the transferor a licence corresponding to so much of the licence as is proposed to be retained.
- (7) The Authority shall—
 - (a) give the Health and Safety Executive not less than 28 days' notice of any proposal to consent to any proposed transfer; and
 - (b) give that Executive and the Secretary of State not less than 28 days' notice of any proposal to impose a modification condition.
- (8) If, before the expiry of the time specified in a notice given to the Secretary of State under subsection (7)(b), the Secretary of State directs the Authority not to impose the condition, the Authority shall comply with the direction.
- (9) Before giving consent to the transfer of a licence, the Authority shall give notice—
 - (a) stating that it proposes to grant consent to the transfer;
 - (b) stating the reasons why it proposes to give consent; and
 - (c) specifying the time from the date of publication of the notice (not being less than two months) within which representations or objections with respect to the transfer may be made,and shall consider any representations or objections that are duly made and not withdrawn.
- (10) A notice under subsection (9) shall be given by publishing the notice in such manner as the Authority considers appropriate for bringing it to the attention of persons likely to be affected by the transfer.
- (11) A purported transfer of a licence shall be void—
 - (a) if the licence is not capable of transfer or the Authority has not given its consent;
 - (b) if the purported transfer is in breach of a condition of the licence; or
 - (c) if there has, before the purported transfer, been a contravention of a condition subject to compliance with which the Authority's consent is given.
- (12) In this section—

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“transfer” includes any form of transfer or assignment or, in Scotland, assignation;

“modification condition” means a condition requiring or otherwise providing for the making of modifications to the conditions of a licence.]

Textual Amendments

F88 S. 8AA substituted (1.10.2001) by 2000 c. 27, s. 85; S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

[8A ^{F89}**Modification or removal of the 25,000 therm limits.**

(1) The Secretary of State may by order amend [^{F90}section 10(8) or (12) below, paragraph 4 of Schedule 2A to this Act or paragraph 4, 8 or 16 of Schedule 2B to this Act] by substituting—

(a) where the limit is for the time being expressed by reference to a number of therms—

(i) such lower number of therms as he considers appropriate; or

(ii) such lower limit, expressed by reference to a number of kilowatt hours, as he considers appropriate; or

(b) where the limit is for the time being expressed by reference to a number of kilowatt hours, such lower number of kilowatt hours as he considers appropriate.

(2) An order under subsection (1) above may be made so as to provide for the number specified in one provision to differ from that for the time being specified in any of the other provisions.

^{F91}(3)

^{F91}(4)]

Textual Amendments

F89 S. 8A inserted (30.5.1992) by Competition and Service (Utilities) Act 1992 (c. 43), s. 37; Commencement Order No. 1 made on 29.5.1992, art. 2.

F90 Words in s. 8A(1) substituted (1.3.1996) by 1995 c. 45, s. 10(1), Sch. 3 para. 2(1); S.I. 1996/218, art. 2

F91 S. 8A(3)(4) repealed (1.3.1996) by 1995 c. 45, ss. 10(1), 17(5), Sch. 3 para. 2(2), Sch. 6; S.I. 1996/218, art. 2

[^{F92} The gas code]

Textual Amendments

F92 S. 8B and cross-heading inserted (1.3.1996) by 1995 c. 45, s. 9; S.I. 1996/218, art. 2

Status: Point in time view as at 21/03/2012.

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8B [^{F93} The gas code.]

The provisions of Schedule 2B to this Act (which relate to rights and obligations of licence holders and consumers and related matters) shall have effect.

Textual Amendments

F93 S. 8B and cross-heading inserted (1.3.1996) by [1995 c. 45, s. 9\(1\)](#); [S.I. 1996/218, art. 2](#)

[^{F94} Gas transmission and the operation of gas interconnectors: independence

Textual Amendments

F94 Ss. 8C-8Q and cross-heading inserted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), 4

8C Requirement for certain gas transporters and operators of gas interconnectors to be certified as independent

- (1) A person who, for any period on or after the relevant date, holds a licence under section 7 and carries out transmission of gas must ensure that the person is certified by the Authority under section 8F throughout that period.
- (2) A person who, for any period on or after the relevant date, holds a licence under section 7ZA and participates in the operation of a gas interconnector must ensure that the person is certified by the Authority under section 8F throughout that period.
- (3) In subsections (1) and (2) the “relevant date” in respect of a person is 3 March 2012 or any later date before 4 March 2013 which the Authority specifies under subsection (4) or (5) in respect of the person.
- (4) The Authority may specify a later date in respect of a person if—
 - (a) the person has asked the Authority to specify a later date;
 - (b) the person is not, and is not part of, a vertically integrated undertaking; and
 - (c) no senior officer of the person is also a senior officer of a relevant producer or supplier.
- (5) The Authority may also specify a later date in respect of a person if the Authority thinks that, for reasons beyond its and the person’s control, the Authority will not reasonably be able to make a final decision before 3 March 2012 as to whether to certify the person.
- (6) In this section—
 - (a) “transmission” has the meaning given by Article 2(3) of the Gas Directive; and
 - (b) “vertically integrated undertaking” has the meaning given by Article 2(20) of that Directive.

8D Application for certification

- (1) Any person may apply for certification.

Status: Point in time view as at 21/03/2012.

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- (2) An application for certification—
 - (a) must be made in writing to the Authority; and
 - (b) must be made in such form and contain such information as the Authority may specify.
- (3) If the application is made on or after 3 March 2013 and the applicant is a person from a third country or a person controlled by a person from a third country, the Authority must, as soon as is reasonably practicable after receiving the application—
 - (a) notify the Secretary of State and the European Commission that an application has been made by such a person; and
 - (b) enclose with the notification to the Secretary of State any information which, at the time of the notification, the Authority has in its possession and thinks is relevant to the question of whether the security of gas supplies in the United Kingdom or any other EEA state would be put at risk by the certification of the applicant.
- (4) The Authority may ask an applicant for certification for any further information the Authority thinks is relevant to the application, and the applicant must supply that information if—
 - (a) it is in the applicant's possession; or
 - (b) it is information which the applicant could reasonably be expected to obtain.
- (5) The Authority may ask a relevant producer or supplier for any information the Authority thinks is relevant to an application for certification, and the relevant producer or supplier must supply that information if—
 - (a) it is in the relevant producer or supplier's possession; or
 - (b) it is information which the relevant producer or supplier could reasonably be expected to obtain.
- (6) A person required to supply information under subsection (4) or (5) must do so by any deadline specified by the Authority.

8E Report where applicant connected with a country outside the European Economic Area

- (1) This section applies if the Secretary of State is notified by the Authority under section 8D(3) that an application has been made by a person from a third country or a person controlled by a person from a third country.
- (2) The Secretary of State must prepare a report on whether the security of gas supplies in the United Kingdom or any other EEA state would be put at risk by the certification of the applicant.
- (3) The Secretary of State must prepare the report and send it to the Authority within the 6 weeks beginning with the day on which the notification under section 8D(3) is received.
- (4) If, before the Secretary of State sends the report to the Authority, the Authority receives information under section 8D(4) or (5) and thinks that the information is relevant to the preparation of the report, the Authority must supply that information to the Secretary of State as soon as is reasonably practicable.
- (5) In preparing the report, the Secretary of State must take into account—

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- (a) any relevant international law; and
- (b) any relevant agreement between the government of the United Kingdom and the government of the third country in question.

8F Certification

- (1) Where the Authority receives an application for certification, it must make a preliminary decision by the relevant deadline as to whether it should certify the applicant.
- (2) The relevant deadline is the end of the 4 months beginning with the day on which the Authority receives the application; but this is subject to any extension under subsection (3).
- (3) If, before the deadline mentioned in subsection (2) (or before that deadline as previously extended under this subsection), the Authority asks the applicant or a relevant producer or supplier for information under section 8D(4) or (5), the relevant deadline is the end of the 4 months beginning with the day on which the last of that information is received.
- (4) As soon as is reasonably practicable after making the preliminary decision the Authority must notify the decision and the reasons for it to—
 - (a) the applicant;
 - (b) the Secretary of State; and
 - (c) the European Commission.
- (5) The Authority must enclose with the notification under subsection (4)(c) a copy of any report—
 - (a) which the Secretary of State has prepared under section 8E in respect of the applicant; and
 - (b) which the Authority receives before giving the notification.
- (6) Subsections (7) and (8) apply in relation to the Authority's final decision under Article 3 of the Gas Regulation as to whether to certify the applicant.
- (7) As soon as is reasonably practicable after making the final decision the Authority must notify the decision and the reasons for it to—
 - (a) the applicant;
 - (b) the Secretary of State; and
 - (c) the European Commission.
- (8) If the final decision is to certify the applicant the applicant is to be taken as certified by the Authority under this section.

8G Grounds for certification

- (1) This section applies to—
 - (a) a preliminary decision under section 8F as to whether an applicant should be certified;
 - (b) a final decision under Article 3 of the Gas Regulation as to whether to certify an applicant.

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- (2) The Authority may only decide that the applicant should be certified, or decide to certify the applicant, if one of the following six grounds (“the certification grounds”) applies.
- (3) The first certification ground is that the applicant meets the ownership unbundling requirement in section 8H.
- (4) The second certification ground is that the applicant has asked the Authority to exempt it from the ownership unbundling requirement on the grounds in paragraph (9) of Article 9 of the Gas Directive (alternative arrangements for independence), and the Authority thinks the requirements of that paragraph are met.
- (5) The third certification ground is that—
 - (a) the applicant has asked the Authority to exempt it from the ownership unbundling requirement on the grounds in paragraphs (1) and (2) of Article 14 of the Gas Directive (independent system operator);
 - (b) the applicant has nominated an independent system operator for designation in accordance with those paragraphs; and
 - (c) the Authority—
 - (i) thinks that the requirements of those paragraphs are met, and
 - (ii) is minded to designate the nominated independent system operator.
- (6) The fourth certification ground is that—
 - (a) the applicant holds a licence under section 7ZA;
 - (b) the applicant has asked the Authority to exempt it from the ownership unbundling requirement on the ground that it meets the requirements of Chapter 4 of the Gas Directive (independent transmission operator), in accordance with Articles 9(8)(b) and 18(10) of that Directive; and
 - (c) the Authority thinks that the applicant meets the requirements of that Chapter, in accordance with those Articles.
- (7) The fifth certification ground is that—
 - (a) the applicant holds a licence under section 7ZA; and
 - (b) in accordance with the conditions of that licence, the applicant has been granted an exemption from the ownership unbundling requirement in accordance with Article 36 of the Gas Directive (new infrastructure) and remains entitled to the benefit of it.
- (8) The sixth certification ground is that—
 - (a) the applicant holds a licence under section 7ZA; and
 - (b) either—
 - (i) the applicant has, in accordance with the conditions of that licence, been granted an exemption in accordance with Article 22 of Directive [2003/55/EC](#) of the European Parliament and of the Council of 26 June 2003 on common rules for the internal market in natural gas (new infrastructure) and remains entitled to the benefit of it; or
 - (ii) another person benefits from such an exemption, and the applicant is in a position which is substantially similar to the position of that person.
- (9) But, regardless of whether a certification ground applies, the Authority—

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- (a) may, in particular, decide that the applicant should not be certified, or decide not to certify the applicant, if, on the basis of an opinion expressed by the European Commission under Article 11 of the Gas Directive (certification in relation to persons from countries outside the European Economic Area), the Authority thinks that the certification of the applicant would put at risk the security of gas supplies in any EEA state;
- (b) must not decide that the applicant should be certified, and must not decide to certify the applicant, if a report prepared by the Secretary of State under section 8E states that the certification of the applicant would put at risk the security of gas supplies in the United Kingdom or any other EEA state;
- (c) must not decide to certify the applicant on the second certification ground if the European Commission has not verified, in accordance with paragraph (10) of Article 9 of the Gas Directive (verification of independence under alternative arrangements), that the requirement in that paragraph as to arrangements for effective independence is met.

8H The ownership unbundling requirement

- (1) In section 8G(3) the ownership unbundling requirement is met by an applicant for certification if the Authority thinks that each of the following five tests is passed.
- (2) The first test is that the applicant—
 - (a) does not control a relevant producer or supplier;
 - (b) does not have a majority shareholding in a relevant producer or supplier; and
 - (c) will not, on or after the relevant date, exercise shareholder rights in relation to a relevant producer or supplier.
- (3) For the purposes of subsection (2)(c), the Authority is entitled to think that the applicant will not exercise shareholder rights if the applicant has given an undertaking not to exercise those shareholder rights.
- (4) The second test is that, where the applicant is a company, partnership or other business, none of its senior officers has been, or may be, appointed by a person who—
 - (a) controls a gas undertaking which is a relevant producer or supplier; or
 - (b) has a majority shareholding in a gas undertaking which is a relevant producer or supplier.
- (5) The third test is that, where the applicant is a company, partnership or other business, none of its senior officers is also a senior officer of a gas undertaking which is a relevant producer or supplier.
- (6) The fourth test is that the applicant is not controlled by a person who controls a relevant producer or supplier.
- (7) But even where the fourth test is not passed, the Authority may treat it as passed if—
 - (a) the control over the applicant was gained through the exercise of a right conferred as a condition of the provision of either financial support or a guarantee (or both), in relation to the applicant's business; or
 - (b) the control over the relevant producer or supplier was gained through the exercise of such a right conferred in relation to the business of the relevant producer or supplier.

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- (8) The fifth test is that the applicant is not controlled by a person who has a majority shareholding in a relevant producer or supplier.
- (9) But even where the fifth test is not passed, the Authority may treat it as passed if—
 - (a) the control over the applicant was gained through the exercise of a right conferred as a condition of the provision of either financial support or a guarantee (or both), in relation to the applicant’s business; or
 - (b) the majority shareholding in the relevant producer or supplier was gained through the exercise of such a right conferred in relation to the business of the relevant producer or supplier.
- (10) In subsection (2)(c) “relevant date” means the relevant date for the purposes of section 8C(1) or (2).

8I The ownership unbundling requirement: supplementary

- (1) Subsections (2) and (3) apply where—
 - (a) by virtue of subsection (7) or (9) of section 8H, the Authority treats the fourth or fifth test under section 8H as passed in relation to a person; and
 - (b) the person is certified in reliance on that treatment.
- (2) The Authority must by notice to the certified person specify a period of time at the end of which the Authority will cease to treat that test as passed by virtue of that subsection.
- (3) The Authority may by notice to the certified person extend that period if the Authority thinks it necessary or expedient to do so.
- (4) In deciding whether to treat a test as passed by virtue of section 8H(7) or (9), and in determining any period or extension under subsection (2) or (3), the Authority—
 - (a) must take into account—
 - (i) the period of time for which the test is likely to continue not to be passed, and
 - (ii) whether the relationship (direct or indirect) between the applicant and the relevant producer or supplier has led or might lead the applicant to discriminate in favour of the relevant producer or supplier; and
 - (b) may, in particular, take into account any information or undertaking given to the Authority by the applicant, the relevant producer or supplier or the person who controls the applicant and controls or has a majority shareholding in the relevant producer or supplier.
- (5) The information and undertakings that may be taken into account under subsection (4) (b) include information and undertakings regarding any measures that have been or will be put in place to ensure the effective separation of the business of the applicant and the business of the relevant producer or supplier.

8J Designation for the purposes of EU gas legislation

- (1) This section applies in relation to any period for which a person—
 - (a) holds a licence under section 7 or 7ZA; and
 - (b) is certified.

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- (2) If the person is certified on the first, second, fourth, fifth or sixth certification ground in section 8G, the person is designated as a gas transmission system operator for the purposes of Article 10(2) of the Gas Directive (designation of transmission system operators).
- (3) If the person is certified on the third certification ground in section 8G, the independent system operator nominated in the application for certification is designated as a gas transmission system operator for the purposes of that Article.
- (4) As soon as is reasonably practicable after a person is designated by virtue of this section, the Authority must notify the designation to—
 - (a) the person designated;
 - (b) the Secretary of State; and
 - (c) the European Commission.

8K Monitoring and review of certification

- (1) The Authority must monitor, in respect of each certified person, whether the basis on which the Authority decided to certify the person, including the certification ground on which the person was certified, (the “certification basis”) continues to apply.
- (2) If, on or after 3 March 2013, as result of information it has received or obtained, the Authority thinks that a person from a third country has taken or may take control of a certified person, the Authority must, as soon as is reasonably practicable—
 - (a) notify the information to the Secretary of State and the European Commission; and
 - (b) enclose with the notification to the Secretary of State any further information which, at the time of the notification, the Authority has in its possession and thinks is relevant to the question of whether the security of gas supplies in the United Kingdom or any other EEA state would be put at risk by the continued certification of the person.
- (3) The Authority must review whether the certification basis in respect of a certified person continues to apply if the European Commission asks it to do so.
- (4) A review under subsection (3) is to be carried out within the 4 months beginning with the day on which the Authority receives the request from the European Commission.
- (5) The Authority may also review whether the certification basis in respect of a certified person continues to apply if—
 - (a) the certified person notifies it of any event or circumstance which may affect that basis; or
 - (b) the Authority thinks that the basis may no longer apply.
- (6) A review under subsection (5) is to be carried out within the 4 months beginning with—
 - (a) if paragraph (a) of subsection (5) applies, the day on which the Authority receives the notification under that paragraph;
 - (b) otherwise, the first day on which the Authority thinks that the certification basis may no longer apply.
- (7) Subsection (8) applies where—

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- (a) by virtue of section 8H(7) or (9), the Authority has treated the fourth or fifth test under section 8H as passed;
 - (b) a person is certified in reliance on that treatment; and
 - (c) the period specified under section 8I as the period at the end of which that treatment will cease comes to an end.
- (8) Where this subsection applies, the Authority must review whether that test is now passed.
- (9) A review under subsection (8) is to be carried out within the 4 months beginning with the end of the period mentioned in subsection (7)(c).

8L Review of certification: requirement to provide information etc

- (1) As soon as is reasonably practicable after beginning a review under section 8K, the Authority must notify the certified person that the review is being carried out and of the reasons for it.
- (2) The Authority may ask that person for any information the Authority thinks is relevant to the review, and the person must supply the information if—
 - (a) it is in the person's possession; or
 - (b) it is information which the person could reasonably be expected to obtain.
- (3) The Authority may ask a relevant producer or supplier for any information the Authority thinks is relevant to a review under section 8K, and the relevant producer or supplier must supply that information if—
 - (a) it is in the relevant producer or supplier's possession; or
 - (b) it is information which the relevant producer or supplier could reasonably be expected to obtain.
- (4) A person required to supply information under subsection (2) or (3) must do so by any deadline specified by the Authority.

8M Report as to any connection of certified person with a country outside the European Economic Area

- (1) This section applies if the Authority notifies information to the Secretary of State under section 8K(2) in respect of a certified person.
- (2) The Secretary of State must prepare a report on whether the security of gas supplies in the United Kingdom or any other EEA state would be put at risk by the continued certification of the person.
- (3) The Secretary of State must prepare the report and send it to the Authority within the 6 weeks beginning with the day on which the notification is received.
- (4) If, before the Secretary of State sends the report to the Authority, the Authority receives information under section 8L(2) or (3) and thinks that the information is relevant to the preparation of the report, the Authority must supply that information to the Secretary of State as soon as is reasonably practicable.
- (5) In preparing the report, the Secretary of State must take into account—
 - (a) any relevant international law; and

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- (b) any relevant agreement between the government of the United Kingdom and the government of the third country in question.

8N Continuation or withdrawal of certification

- (1) Where the Authority reviews under section 8K(3) or (5) whether the certification basis in respect of a certified person continues to apply, it may, within the 4 months mentioned in section 8K(4) or (6) either—
 - (a) make a preliminary decision that the certification should be continued on the certification ground mentioned in section 8K(1); or
 - (b) make a preliminary decision that the certification should be withdrawn.
- (2) If the Authority does not make a decision under subsection (1) within those 4 months, it is to be taken as having made a preliminary decision at the end of the 4 months that the certification should be continued on the certification ground mentioned in section 8K(1).
- (3) Where the Authority reviews under section 8K(8) whether the fourth or fifth test under section 8H is now passed, it may, within the 4 months mentioned in section 8K(9), either—
 - (a) make a preliminary decision that the certification should be continued on the basis that the test is now passed; or
 - (b) make a preliminary decision that the certification should be withdrawn.
- (4) If the Authority does not make a decision under subsection (3) within those 4 months, it is to be taken as having made a preliminary decision at the end of the 4 months that the certification should be continued on the basis that the test is now passed.
- (5) As soon as is reasonably practicable after a preliminary decision is made (or taken to be made) under this section, the Authority must—
 - (a) notify the decision to the certified person and the Secretary of State; and
 - (b) notify the decision to the European Commission, enclosing the information it considers relevant to the decision.
- (6) Subsections (7) to (9) apply in relation to the Authority's final decision under Article 3 of the Gas Regulation whether to confirm the certification.
- (7) As soon as is reasonably practicable after making the final decision the Authority must notify the decision and the reasons for it to—
 - (a) the person in relation to whom the review was carried out;
 - (b) the Secretary of State; and
 - (c) the European Commission.
- (8) If the final decision is to continue the certification the person is to be taken as continuing to be certified by the Authority under section 8F.
- (9) Otherwise, the person is to be taken as no longer certified.
- (10) Section 8G(9)(a) and (b) applies in relation to a decision mentioned in this section as it applies in relation to a decision mentioned in section 8G(1), but as if—
 - (a) the references in section 8G(9)(a) and (b) to the certification of the applicant were references to the continued certification of the person certified; and
 - (b) the reference in section 8G(9)(b) to a report prepared under section 8E were a reference to a report prepared under section 8M.

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80 Prohibition on the exercise of certain shareholder rights and rights of appointment

- (1) A person must not exercise a shareholder right or a right of appointment if—
 - (a) the right falls within subsection (2), (3), (4) or (5);
 - (b) the relevant date in respect of the certified person mentioned in that subsection has been reached;
 - (c) the exercise of the right would or might lead the certified person to discriminate in favour of the relevant producer or supplier mentioned in that subsection; and
 - (d) the relevant producer or supplier is a person to whom subsection (6) applies.
- (2) A right falls within this subsection if—
 - (a) it is a shareholder right;
 - (b) it is held by a person who controls a person certified on the certification ground in section 8G(3); and
 - (c) it is exercisable in relation to a relevant producer or supplier.
- (3) A right falls within this subsection if—
 - (a) it is a shareholder right;
 - (b) it is exercisable in relation to a person certified on the certification ground in section 8G(3); and
 - (c) it is held by a person who controls a relevant producer or supplier.
- (4) A right falls within this subsection if—
 - (a) it is a shareholder right;
 - (b) the person who holds it appointed a senior officer of a person certified on the certification ground in section 8G(3);
 - (c) the person appointed continues to hold that office; and
 - (d) the right is exercisable in relation to a gas undertaking which is a relevant producer or supplier.
- (5) A right falls within this subsection if—
 - (a) it is a right to appoint a senior officer of a person certified on the certification ground in section 8G(3); and
 - (b) the person who holds it has, within the immediately preceding period of 3 years, exercised a shareholder right in relation to a gas undertaking which is a relevant producer or supplier.
- (6) This subsection applies to a person if, in order to carry out some or all of the activity by virtue of which the person is a relevant producer or supplier, the person—
 - (a) requires a licence under section 7A of this Act, section 6 of the Electricity Act 1989 (licences authorising supply, etc), or section 3 of the Petroleum Act 1998 (licences to search and bore for and get petroleum); or
 - (b) would require such a licence if carrying out the activity in Great Britain.
- (7) In this section—
 - (a) “exercise” means exercise directly or indirectly, and “exercisable” is to be interpreted accordingly; and
 - (b) “relevant date” means the relevant date for the purposes of section 8C(1) or (2).

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8P Validity of acts infringing section 8O

- (1) The following are voidable on an application to the court—
 - (a) the exercise of a shareholder right in breach of section 8O;
 - (b) the appointment of a senior officer in breach of that section.
- (2) Any person may make an application under subsection (1).
- (3) Such an application may not be made after the end of the 5 years beginning with the day on which the shareholder right was exercised or the appointment made.
- (4) If, by virtue of this section, the court declares the exercise of a shareholder right or an appointment to be void, it may make an order as to the consequences of its declaration.
- (5) In this section, “the court” means—
 - (a) in relation to England and Wales, the High Court, and
 - (b) in relation to Scotland, the Court of Session.

8Q Interpretation

- (1) In sections 8C to 8P and this section—

“control”, in relation to one person having control over another, has the meaning given by Article 2(36) of the Gas Directive (but in determining whether one person (“person A”) has control over another (“person B”) no account is to be taken of any unexercised contractual or other right which would, if exercised, give person A control over person B and which was conferred as a condition of the provision of either financial support or a guarantee (or both), by person A in relation to the business of person B); and references to one person controlling another are to be interpreted accordingly;

“certified” means taken in accordance with section 8F(8) or 8N(8) to be certified (or as continuing to be certified) by the Authority under section 8F; and “certify” and “certification” are to be interpreted accordingly;

“certification grounds” has the meaning given by section 8G(2);

“person from a third country” means a person the Authority thinks is from a third country;

“shareholder right” means a right, conferred by the holding of a share in the company’s share capital—

 - (a) to vote at general meetings of the company; or
 - (b) to appoint or remove a member of the company’s board of directors;

“third country” means a country that is not, and is not part of, an EEA state.
- (2) In this Part “gas undertaking” means a person who—
 - (a) gets natural gas from its natural condition in strata otherwise than as an unintended consequence of the storage of gas, and requires a licence under section 3 of the Petroleum Act 1998 (licences to search and bore for and get petroleum) to do so or would require such a licence if getting the gas in Great Britain;
 - (b) produces any other gas, including in particular biomethane, which is suitable for conveyance through pipes to premises in accordance with a licence under section 7;
 - (c) supplies to any premises gas which has been conveyed to those premises through pipes;

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- (d) arranges with a gas transporter for gas to be introduced into, conveyed by means of or taken out of a pipe-line system operated by that transporter; or
 - (e) otherwise sells gas.
- (3) In this Part “relevant producer or supplier”, in relation to an applicant for certification or a certified person, means a person who falls within each of subsections (4) and (5).
- (4) A person falls within this subsection if the person—
- (a) is a gas undertaking;
 - (b) generates electricity for the purpose of giving a supply to any premises or enabling a supply to be so given;
 - (c) supplies electricity to any premises; or
 - (d) otherwise generates or sells electricity,
- and terms used in paragraphs (b) and (c) of this subsection have the same meanings in those paragraphs as in Part 1 of the Electricity Act 1989.
- (5) A person falls within this subsection if the person carries out in an EEA state some or all of the activity by virtue of which the person falls within subsection (4) and—
- (a) requires a licence under section 7A of this Act or section 6 of the Electricity Act 1989 (licences authorising supply, etc) to do so;
 - (b) would, in the Authority’s opinion, require such a licence if carrying out the activity in Great Britain; or
 - (c) has a relationship with the applicant or certified person which the Authority thinks might lead the applicant or certified person to discriminate in favour of the person.]

[^{F95}Storage facilities: independence

Textual Amendments

F95 Ss. 8R, 8S and cross-heading inserted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), 6

8R Independence of storage facilities

- (1) This section applies to a storage facility unless a minor facility exemption is in force in respect of that facility under section 8S.
- (2) The owner of a storage facility to which this section applies must, notwithstanding any licence held by the owner, refrain from producing gas in an EEA state.
- (3) The owner must also, notwithstanding any licence held by the owner, refrain from carrying out any of the following activities in an EEA state except to the extent that the activity is necessary for the efficient operation of the storage facility or of another facility used by the owner to store gas—
 - (a) the supply to any premises of gas which has been conveyed to those premises through pipes;
 - (b) the making of an arrangement with a gas transporter for gas to be introduced into, conveyed by means of or taken out of a pipe-line system operated by that gas transporter;
 - (c) any other sale of gas.

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- (4) If an affiliate of the owner carries out in an EEA state an activity which, under subsection (2) or (3), the owner must refrain from carrying out, the owner must operate the storage facility independently of the interests of that affiliate and must, in particular, ensure that—
- (a) no senior officer or manager of the owner is a senior officer or manager of the affiliate;
 - (b) if a senior officer or manager of the owner has an interest in the affiliate that conflicts, or is likely to conflict, with the interests of the storage facility, the owner maintains procedures to ensure that the storage facility is operated independently of that interest in the affiliate;
 - (c) the owner is entitled to take decisions without the consent of that affiliate in respect of any assets necessary to operate, maintain or develop the storage facility; and
 - (d) the owner does not take instructions from the affiliate regarding day to day operations or individual decisions concerning the construction or upgrading of the storage facility.
- (5) Subsection (4)(c) and (d) does not prevent a parent undertaking of the owner from requiring the owner—
- (a) to obtain the parent undertaking’s approval of the owner’s annual financial planning;
 - (b) to comply with restrictions on the owner’s overall indebtedness.
- (6) The owner must establish a programme (the “independence programme”) in relation to the owner’s senior officers, other officers, managers and employees for the purpose of ensuring that they do not cause the owner to—
- (a) discriminate against persons who are not affiliates of the owner; or
 - (b) breach any of the owner’s obligations under section 11C regarding the disclosure or use of information.
- (7) The owner must—
- (a) ensure that compliance with the independence programme is monitored; and
 - (b) each year, publish a report setting out the measures taken in accordance with the independence programme and send a copy to the Authority.
- (8) For the purposes of this section a person produces gas if the person—
- (a) gets natural gas from its natural condition in strata otherwise than as an unintended consequence of the storage of gas, and requires a licence under section 3 of the Petroleum Act 1998 (licences to search and bore for and get petroleum) to do so or would require such a licence if getting the gas in Great Britain; or
 - (b) produces any other gas, including in particular biomethane, which is suitable for conveyance through pipes to premises in accordance with a licence under section 7.
- (9) In this section—
- “affiliate”, in relation to a person (“person A”), means—
- (a) a person who has control of person A; or
 - (b) a person who is under the control of the same person as person A;
- “control” has the meaning given by section 8Q(1);

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“manager”, in relation to the owner of a storage facility or an affiliate of the owner, means a natural person who is responsible, directly or indirectly, for the day to day management of the owner or the affiliate;

“parent undertaking” has the meaning given by section 1162 of the Companies Act 2006.

- (10) The reference in subsection (4)(b) to a conflict of interests includes a conflict of interest and duty and a conflict of duties.

8S Independence of storage facilities and duty to allow others to use them: exemptions for minor facilities

- (1) A person who is or expects to be an owner of a storage facility may apply in writing to the Authority for an exemption from the requirements of sections 8R and 19B in respect of that facility (a “minor facility exemption”).
- (2) The Authority must give a minor facility exemption in respect of a facility where it is satisfied that use of the facility by other persons is not technically or economically necessary for the operation of an efficient gas market.
- (3) A minor facility exemption—
- (a) must be in writing;
 - (b) may be given—
 - (i) for an indefinite period or for a period determined under the exemption;
 - (ii) unconditionally or subject to such conditions as the Authority considers appropriate.
- (4) The Authority must publish its decision to give or refuse to give a minor facility exemption together with the reasons for the decision.
- (5) A minor facility exemption may be revoked—
- (a) in accordance with provisions contained in it;
 - (b) at any other time, if the Authority considers that the condition in subsection (2) is no longer met.
- (6) The Authority must from time to time publish a document setting out how it will determine whether the use of a facility by other persons is technically or economically necessary for the operation of an efficient gas market, including the matters it will take into account when determining this.
- (7) Publication under subsection (4) or (6) must be in such manner as the Authority considers appropriate.
- (8) Before publishing a document under subsection (6) the Authority must consult—
- (a) the Secretary of State; and
 - (b) such other persons as the Authority considers appropriate.]

Status: Point in time view as at 21/03/2012.

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[^{F96} Powers and duties of public gas transporters]

Textual Amendments

F96 Cross-heading substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 3**; S.I. 1996/218, **art. 2**

9 [^{F97} General powers and duties.]

- (1) It shall be the duty of a [^{F98} gas transporter] as respects each authorised area of his—
- (a) to develop and maintain an efficient and economical pipe-line system for the conveyance of gas; and
 - (b) subject to paragraph (a) above, to comply, so far as it is economical to do so, with any reasonable request for him [^{F99}—
 - (i)]
to connect to that system, and convey gas by means of that system to, any premises [^{F100}; or.
 - (ii) to connect to that system a pipe-line system operated by an authorised transporter.]
- [^{F101}(1A) It shall also be the duty of a gas transporter to facilitate competition in the supply of gas.]
- (2) It shall also be the duty of a [^{F98} gas transporter] to avoid any undue preference or undue discrimination—
- (a) in the connection of premises [^{F102}, or a pipe-line system operated by an authorised transporter,] to any pipe-line system operated by him; or
 - (b) in the terms on which he undertakes the conveyance of gas by means of such a system.
- (3) The following provisions shall have effect, namely—
- (a) Schedule 3 to this Act (which provides for the acquisition of land by [^{F98} gas transporters]); and
 - (b) Schedule 4 to this Act (which relates to the breaking up of streets and bridges by such transporters).

Textual Amendments

- F97** S. 9 substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 3**; S.I. 1996/218, **art. 2**
- F98** Words in s. 9(1)(2)(3)(a) substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, **arts. 1(2), 2, Sch.** (subject to transitional provisions in **arts. 3-20**)
- F99** S. 9(1)(b): “-(i)” inserted (1.10.2001) by 2000 c. 27, **s. 79(2)(a)**; S.I. 2001/3266, **arts. 1(2), 2, Sch.** (subject to transitional provisions in **arts. 3-20**)
- F100** S. 9(1)(b)(ii) and the word “or” immediately preceding it inserted (1.10.2001) by 2000 c. 27, **s. 79(2)(b)**; S.I. 2001/3266, **arts. 1(2), 2, Sch.** (subject to transitional provisions in **arts. 3-20**)
- F101** S. 9(1A) inserted (1.10.2001) by 2000 c. 27, **s. 79(3)**; S.I. 2001/3266, **arts. 1(2), 2, Sch.** (subject to transitional provisions in **arts. 3-20**)
- F102** Words in s. 9(2)(a) inserted (1.10.2001) by 2000 c. 27, **s. 79(4)**; S.I. 2001/3266, **arts. 1(2), 2, Sch.** (subject to transitional provisions in **arts. 3-20**)

Modifications etc. (not altering text)

- C35** S. 9(1)(b) applied (with modifications) (1.3.1996) by S.I. 1996/399, **art. 3(1)**

Status: Point in time view as at 21/03/2012.

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- C36** S. 9(3)(a) functions exercisable in or as regards Scotland (14.12.2000) by [S.I. 2000/3253, art. 2, Sch. 1 para. 6](#) (with transitional provisions in [art. 6](#))
S. 9(3)(a) functions transferred to Scottish Ministers (15.12.2000) by [S.I. 2000/3253, art. 3, Sch. 2](#) (with transitional provisions in [art. 6](#))

[^{F103}10 Duty to connect certain premises.

- (1) Subsection (2) below applies to any premises in an authorised area of a [^{F104}gas transporter] which—
- (a) are situated within 23 metres from a relevant main of the transporter; or
 - (b) could be connected to any such main by a pipe supplied and laid, or proposed to be supplied and laid, by the owner or occupier of the premises.
- (2) Subject to the provisions of this Part and any regulations made under those provisions, a [^{F104}gas transporter] shall, on being required to do so by the owner or occupier of any premises to which this subsection applies—
- (a) in the case of premises falling within paragraph (a) of subsection (1) above, connect the premises to the relevant main, and supply and lay any pipe that may be necessary for that purpose; and
 - (b) in the case of premises falling within paragraph (b) of that subsection, connect the premises to the relevant main by the pipe there mentioned;
- and in the following provisions of this section “connect”, in relation to any premises, means connect to a relevant main of a [^{F104}gas transporter] and “connection” shall be construed accordingly.
- (3) Subject to the provisions of this Part and any regulations made under those provisions, where any premises are connected (whether by virtue of subsection (2) above or otherwise), the [^{F104}gas transporter] shall maintain the connection until such time as it is no longer required by the owner or occupier of the premises.

[A gas transporter may require any person who requires a connection under ^{F105}(3A) subsection (2)(b) to accept any terms—

- (a) indemnifying the transporter in respect of any liability connected with the laying of the pipe;
 - (b) which it is reasonable in all the circumstances for that person to be required to accept.]
- (4) Where any person requires a connection in pursuance of subsection (2) above, he shall serve on the [^{F104}gas transporter] a notice specifying—
- (a) the premises in respect of which the connection is required; and
 - (b) the day (not being earlier than a reasonable time after the service of the notice) upon which the connection is required to be made.
- (5) Where any pipe is supplied and laid by a [^{F104}gas transporter] in pursuance of subsection (2)(a) above, the cost of supplying and laying the pipe shall, if and to the extent that the transporter so requires and the conditions of his licence so allow, be defrayed by the person requiring the connection.

[Where in pursuance of subsection (2)(b) a gas transporter connects any premises to a ^{F106}(5A) relevant main by a pipe supplied and laid by the owner or occupier of the premises, the cost of making the connection shall, if and to the extent that the transporter so requires and the conditions of his licence so allow, be defrayed by the person supplying and laying the pipe.]

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- (6) Where at any time a [^{F104}gas transporter] connects any premises under subsection (2) (b) above—
- (a) the pipe supplied and laid by the owner or occupier of the premises; and
 - (b) any rights [^{F107}or liabilities] of the owner or occupier which relate to the laying, maintenance, repair, alteration or removal of the pipe,
- shall at that time vest in and become property [^{F108}, rights or liabilities] of the transporter.
- (7) The Director may, with the consent of the Secretary of State, make provision by regulations for entitling a [^{F104}gas transporter] to require a person requiring a connection in pursuance of subsection (2) above to pay to the transporter an amount in respect of the expenses of the laying of the main used for the purpose of making that connection if—
- (a) the connection is required within the prescribed period after the laying of the main;
 - (b) a person for the purpose of connecting whose premises the main was laid has made a payment to the transporter in respect of those expenses;
 - (c) the amount required does not exceed any amount paid in respect of those expenses by such a person or by any person previously required to make a payment under the regulations; and
 - (d) the transporter has not recovered those expenses in full.
- (8) Nothing in subsection (2) or (3) above shall be taken as requiring a [^{F104}gas transporter] to connect, or maintain the connection of, any premises if the supply of gas to those premises is likely to exceed 75,000 therms in any period of twelve months.
- (9) Nothing in subsection (2) or (3) above shall be taken as requiring a [^{F104}gas transporter] to connect, or to maintain the connection of, any premises if—
- (a) he is prevented from doing so by circumstances not within his control;
 - (b) circumstances exist by reason of which his doing so would or might involve danger to the public, and he has taken all such steps as it was reasonable to take both to prevent the circumstances from occurring and to prevent them from having that effect; or
 - (c) in the case of premises falling within paragraph (b) of subsection (1) above, the pipe supplied and laid by the owner or occupier of the premises is not fit for the purpose.
- (10) Where—
- (a) any person requires a connection to be made or maintained in pursuance of subsection (2) or (3) above;
 - (b) the making or maintenance of the connection would involve a new or increased supply of gas to the premises in question;
 - (c) the [^{F104}gas transporter] reasonably expects that, if the connection were made or maintained, gas would be supplied to the premises in question at a rate exceeding 2,500 therms a year; and
 - (d) the new or increased supply is such that the connection cannot be made or maintained without the laying of a new main, or the enlarging of an existing main, or the construction or enlarging of any other works required for the conveyance of gas,
- the transporter may, if he thinks fit, refuse to make or maintain the connection unless that person enters into a written contract with the transporter to make such payments to

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him as he may reasonably require having regard to the expense to be incurred in laying or enlarging the main or constructing or enlarging the other works and the extent to which it is reasonable to expect that the transporter will recover that expense from elsewhere.

- (11) If and to the extent that regulations made by the Director with the consent of the Secretary of State so provide, subsection (10) above shall have effect as if—
- (a) the reference in paragraph (d) to the laying of a new main, the enlarging of an existing main or the construction or enlarging of any other works required for the conveyance of gas included a reference to a new main which had previously been laid, an existing main which had previously been enlarged or any other works required for the conveyance of gas which had previously been constructed or enlarged;
 - (b) the reference to the expense to be incurred in laying or enlarging the main or constructing or enlarging the other works included a reference to the expense which had been so incurred; and
 - (c) the reference to the extent to which it is reasonable to expect that the transporter will recover that expense from elsewhere included a reference to the extent to which the transporter had been able so to recover that expense.
- (12) Subject to subsection (13) below, in this section “relevant main”, in relation to a [^{F104}gas transporter], means any distribution main in [^{F109}an authorised area of his] which is being used for the purpose of giving a supply of gas to any premises in that area at a rate not exceeding 75,000 therms a year.
- (13) Any pipe which—
- (a) vests in and becomes the property of a [^{F104}gas transporter] by virtue of subsection (6) above; and
 - (b) apart from this subsection, would be a relevant main for the purposes of this section,
- shall be such a main if, and only if, it has been declared to be such a main by the transporter.
- (14) A [^{F104}gas transporter] shall make a declaration under subsection (13) above in respect of each pipe falling within that subsection which is fit for the purpose of being a relevant main; and a declaration under that subsection shall not be capable of being revoked.]

Textual Amendments

- F103** S. 10 substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 4**; S.I. 1996/218, **art. 2**
- F104** Words in s. 10(1)-(10)(12)-(13) substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. 1 para. 2(1)**; S.I. 2001/3266, **art. 2, Sch.** (subject to transitional provisions in arts. 3-20)
- F105** S. 10(3A) inserted (1.10.2001) by 2000 c. 27, s. 80(2); S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F106** S. 10(5A) inserted (1.10.2001) by 2000 c. 27, s. 80(3); S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F107** Words in s. 10(6)(b) inserted (1.10.2001) by 2000 c. 27, s. 80(4); S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F108** Words in s. 10(6) substituted (1.10.2001) by 2000 c. 27, s. 80(5); S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)

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F109 Words in s. 10(12) substituted (1.10.2001) by 2000 c. 27, s. 80(6); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

[^{F110}10A Restriction on use of certain pipe-lines for providing a supply.

- (1) Any pipe-line of a gas transporter—
- (a) for the construction of which the execution of works has begun before the commencement of section 76 of the Utilities Act 2000 (abolition of geographical exclusivity of authorised areas of gas transporters); and
 - (b) which is situated in an area which, immediately before the commencement of that section, is the authorised area of a public gas transporter (the “other transporter”),
- shall not be used for the purpose of giving a supply of gas to any premises in that area at a rate less than 2,196,000 kilowatt hours per year unless the other transporter consents in writing to such use.
- (2) If the other transporter refuses or fails to give consent under subsection (1) consent may instead be given in writing by the Authority where it considers it appropriate to do so.
- (3) Consent given under this section may not be withdrawn.
- (4) In this section “pipe-line” has the same meaning as in the ^{M3}Pipe-lines Act 1962.]

Textual Amendments

F110 S. 10A inserted (1.10.2001) by 2000 c. 27, s. 77(1); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

Marginal Citations

M3 1962 c. 58.

[^{F111}11 Power to require security.

- (1) Where any person requires a connection in pursuance of paragraph (a) of section 10(2) above and a pipe falls to be supplied and laid by the [^{F112}gas transporter] in pursuance of that paragraph—
- (a) the transporter may require that person to give him reasonable security for the payment to him of all money which may become due to him in respect of the supply and laying of the pipe; and
 - (b) if that person fails to give such security or, where any security given by him has become invalid or insufficient, fails to provide alternative or additional security, the transporter may if he thinks fit refuse to supply and lay the pipe for so long as the failure continues.
- (2) Where any amount is deposited with a [^{F112}gas transporter] by way of security in pursuance of this section, the transporter shall pay interest on that amount, at such rate as may from time to time be fixed by the transporter with the approval of the Director, in respect of the period during which it remains in the hands of the transporter.
- (3) In this section “connection” shall be construed in accordance with section 10(2) above.]

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Textual Amendments

- F111** S. 11 substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 5**; S.I. 1996/218, **art. 2**
F112 Words in s. 11(1)(2) substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, **art. 2, Sch.** (subject to transitional provisions in arts. 3-20)

^{F113}Duties of facility owners and prospective facility owners

Textual Amendments

- F113** Ss. 11A-11C and cross-heading inserted (10.11.2011) by **The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704)**, regs. 1(1), 7(2)

11A General duties of facility owners

- (1) This section applies to—
 - (a) a storage facility;
 - (b) an LNG import or export facility.
- (2) The owner of a facility to which this section applies must—
 - (a) operate, maintain and develop the facility, so far as it is economical to do so, in a manner calculated to ensure that the facility is secure, reliable and efficient;
 - (b) take any steps required by the Authority to ensure that the owner maintains sufficient financial resources to enable the owner to comply with the owner's obligations under this Act and under the Gas Regulation.

11B Duty of current and prospective LNG import or export facility owners to provide information

A person who is or expects to be the owner of an LNG import or export facility must provide the Authority with such information in such manner and at such times as the Authority may reasonably require to facilitate the performance of its functions under this Act.

11C Restrictions on disclosure of information by facility owners

- (1) The owner of a storage facility or LNG import or export facility must take all reasonable steps to ensure that commercially sensitive information relating to the operation of the facility is not disclosed—
 - (a) to a person in a way that discriminates against any other person or description of persons;
 - (b) to an associated undertaking unless the disclosure is necessary in order to enable a transaction with that associated undertaking to take place.
- (2) Information which is obtained by the owner of a storage facility or LNG import or export facility from an associated undertaking for the purpose of, or in the course of, a transaction with that undertaking must not be used by the owner for any other purpose.]

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[^{F114} Gas conveyed by Public Gas Transporters]

Textual Amendments

F114 S. 12 and preceding cross-heading substituted for s. 12 (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 6**; S.I. 1996/218, **art. 2**

12 [^{F115} Methods of calculating therms.]

- (1) Except in prescribed cases, the number of therms or kilowatt hours conveyed by a [^{F116} gas transporter] to premises, or to pipe-line systems operated by other [^{F116} gas transporters], shall be calculated in the prescribed manner—
- (a) on the basis of calorific values of the gas determined by the transporter in accordance with regulations under this section, or so determined by another [^{F116} gas transporter] and adopted by the transporter in accordance with such regulations; or
 - (b) if and to the extent that regulations under this section so provide and the transporter thinks fit, on the basis of declared calorific values of the gas;
- and regulations under this section shall be made by the Director with the consent of the Secretary of State.
- (2) In this Part—
- “calorific value”, in relation to any gas, means the number of megajoules (gross) which would be produced by—
- (a) the combustion of one cubic metre of the gas measured at a temperature of 15°C and a pressure of 1013.25 millibars; or
 - (b) if regulations under this section so provide, the combustion of one kilogram of the gas,
- containing in either case, if the Director so determines, such an amount of water vapour as is specified in the determination;
- “declared calorific value”, in relation to any gas conveyed by a [^{F116} gas transporter], means a calorific value declared by the transporter in accordance with regulations under this section, or so declared by another [^{F116} gas transporter] and adopted by the transporter in accordance with such regulations.
- (3) Regulations under this section may make provision as to the manner in which prescribed information with respect to the making of calculations in accordance with the regulations is to be made available to other licence holders and to the public.
- (4) Regulations under this section made for the purposes of subsection (1)(a) above may make provision—
- (a) for requiring determinations of calorific values of gas conveyed by [^{F116} gas transporters] to be made on the basis of samples of gas taken at such places or premises, at such times and in such manner as the Director may direct;
 - (b) for requiring such determinations to be made at such places or premises, at such times and in such manner as the Director may direct;
 - (c) as to the manner in which the results of such determinations are to be made available to other licence holders and to the public;

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- (d) for requiring such premises, apparatus and equipment as the Director may direct to be provided and maintained by [F116gas transporters] for the purpose of making such determinations;
 - (e) for requiring [F116gas transporters] to carry out tests of apparatus and equipment so provided and maintained by them; and
 - (f) for requiring the results of such tests to be notified to the Director or to any person appointed under section 13(1) below, and to be made available to other licence holders and to the public.
- (5) Regulations under this section made for the purposes of subsection (1)(b) above may make provision—
- (a) for requiring declarations of calorific values of gas conveyed by [F116gas transporters] to be made at such times and in such manner as the Director may direct;
 - (b) as to the times when such declarations are to take effect, and as to the manner in which the calorific values declared are to be made available to other licence holders and to the public;
 - (c) for imposing requirements on [F116gas transporters] as to the correlation between—
 - (i) the calorific values of the gas conveyed by them for any period; and
 - (ii) the calorific values declared by them for that period;
 - (d) for requiring [F116gas transporters] to carry out tests of gas for the purpose of ascertaining whether they are complying with the requirements of regulations made by virtue of paragraph (c) above;
 - (e) for requiring such tests to be carried out at such places or premises, at such times and in such manner as the Director may direct; and
 - (f) for requiring the results of such tests to be notified to the Director or to any person appointed under section 13(1) below, and to be made available to other licence holders and to the public.
- (6) Subject to subsection (7) below, the Director may by notice in writing require a [F116gas transporter] to give to the Director, or to any person appointed by him for the purpose, within such time and at such place as may be specified in the notice, such information as the Director may reasonably require for the purpose of making regulations under this section or section 13 below or of giving directions under such regulations.
- (7) A [F116gas transporter] shall not be required under subsection (6) above to give any information which he could not be compelled to give in evidence in civil proceedings before the court; and in this subsection “the court” means—
- (a) in relation to England and Wales, the High Court;
 - (b) in relation to Scotland, the Court of Session.

Textual Amendments

F115 S. 12 and preceding cross-heading substituted for s. 12 (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 6**; S.I. 1996/218, **art. 2**

F116 Words in s. 12 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. 1 para. 2(1)**; S.I. 2001/3266, **arts. 1(2), 2, Sch.** (subject to transitional provisions in **arts. 3-20**)

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[^{F117}13 Calorific values: tests of apparatus etc.

- (1) The Director shall appoint competent and impartial persons—
 - (a) to carry out tests of apparatus and equipment provided and maintained by [^{F118}gas transporters] in pursuance of regulations made by virtue of subsection (4)(d) of section 12 above for the purpose of ascertaining whether they comply with the regulations;
 - (b) to carry out tests of gas conveyed by [^{F118}gas transporters] where the number of therms or kilowatt hours falls to be calculated in accordance with subsection (1)(b) of that section for the purpose of ascertaining whether the transporters are complying with the requirements of regulations made by virtue of subsection (5)(c) of that section; and
 - (c) generally to assist the Director in exercising his functions under, or under regulations made under, this section or that section.
- (2) Regulations under this section, which shall be made by the Director with the consent of the Secretary of State, may make provision—
 - (a) for requiring such tests as are mentioned in subsection (1)(b) above to be carried out at such places or premises as the Director may direct;
 - (b) for requiring such premises, apparatus and equipment as the Director may direct to be provided and maintained by [^{F118}gas transporters] for the purpose of carrying out such tests;
 - (c) for requiring samples of gas to be taken by [^{F118}gas transporters] at such places or premises, at such times and in such manner as the Director may direct; and
 - (d) for requiring samples of gas so taken to be provided by [^{F118}gas transporters], for the purpose of carrying out such tests, at such places or premises, at such times and in such manner as the Director may direct.
- (3) Regulations under this section may make provision—
 - (a) for persons representing the public gas transporter concerned to be present during the carrying out of such tests as are mentioned in subsection (1) above;
 - (b) as to the manner in which the results of such tests are to be made available to other licence holders and to the public; and
 - (c) for conferring powers of entry on property owned or occupied by [^{F118}gas transporters] for the purpose of carrying out such tests and otherwise for the purposes of this section or section 12 above.
- (4) There shall be paid out of money provided by Parliament to persons appointed under subsection (1) above who are members of the Director's staff such remuneration and such allowances as may be determined by the Director with the approval of the Treasury, and such pensions as may be so determined may be paid out of money provided by Parliament to or in respect of such persons.
- (5) Every person who is a [^{F118}gas transporter] during any period shall pay to the Director such proportion (if any) as the Director may determine of—
 - (a) any sums paid by him under subsection (4) above in respect of that period; and
 - (b) such part of his other expenses for that period as he may with the consent of the Treasury determine to be attributable to his functions under section 12 above or this section;

and any liability under this subsection to pay to the Director sums on account of pensions (whether paid by him under subsection (4) above or otherwise) shall, if the

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Director so determines, be satisfied by way of contributions calculated, at such rate as may be determined by the Treasury, by reference to remuneration.

(6) Any sums received by the Director under this section shall be paid into the Consolidated Fund.]

Textual Amendments

F117 S. 13 substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 7**; S.I. 1996/218, **art. 2**

F118 Words in s. 13 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)

^{F119}**14**

Textual Amendments

F119 S. 14 repealed (1.3.1996) by 1995 c. 45, ss. 10(1), 17(5), **Sch. 3 para. 8, Sch. 6**; S.I. 1996/218, **art. 2**

^{F120}**14A**

Textual Amendments

F120 S. 14A repealed (1.3.1996) by 1995 c. 45, ss. 10(1), 17(5), **Sch. 3 para. 9, Sch. 6**; S.I. 1996/218, **art. 2**

^{F121}**15**

Textual Amendments

F121 S. 15 repealed (1.3.1996) by 1995 c. 45, ss. 9(3), 17(5), **Sch. 6**; S.I. 1996/218, **art. 2**

[^{F122}**16 Standards of gas quality.**

- (1) The Authority may, with the consent of the Secretary of State, prescribe—
 - (a) standards of pressure and purity to be complied with by gas transporters in conveying gas to premises or to pipe-line systems operated by other gas transporters; and
 - (b) other standards with respect to the properties, condition and composition of gas so conveyed.
- (2) Before making any regulations under this section the Authority shall consult such persons and organisations as it considers appropriate and such gas transporters as appear to it to be affected by the regulations.
- (3) The Authority shall appoint competent and impartial persons for the purpose of—
 - (a) carrying out tests of gas, apparatus or equipment in accordance with regulations under this section; and

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- (b) assisting the Authority in exercising functions under this section and regulations made under it.
- (4) Regulations under this section may make provision—
- (a) for requiring tests of gas conveyed by gas transporters to be carried out by persons appointed under subsection (3) or by gas transporters for the purpose of ascertaining whether the gas conforms with the standards prescribed by the regulations;
 - (b) for requiring such tests to be carried out on the basis of samples taken by persons appointed under subsection (3) or by gas transporters; and
 - (c) for requiring samples of gas taken under paragraph (b) to be provided by gas transporters for the purpose of carrying out such tests.
- (5) Regulations under this section may make provision—
- (a) for requiring such premises, apparatus and equipment as the Authority may direct to be provided and maintained by gas transporters for the purpose of carrying out tests required under subsection (4)(a);
 - (b) for requiring tests of apparatus and equipment so provided to be carried out by persons appointed under subsection (3); and
 - (c) for requiring gas transporters to carry out tests of apparatus and equipment so provided and maintained by them.
- (6) Regulations under this section may make provision—
- (a) as to the places or premises and the times at which, and the manner in which—
 - (i) tests under this section are to be carried out;
 - (ii) samples of gas are to be taken and provided under this section; and
 - (iii) results of tests under this section are to be notified or made available;
 - (b) for the Authority to require by direction any matter which may be required by regulations by virtue of paragraph (a);
 - (c) for persons representing the gas transporter concerned to be present during the carrying out of any tests carried out by persons appointed under subsection (3);
 - (d) for the results of tests under this section to be made available to other licence holders and to the public;
 - (e) for requiring gas transporters to notify the results of such tests carried out by them to the Authority or to any person appointed under subsection (3);
 - (f) for conferring powers of entry on property owned or occupied by gas transporters for the purpose of carrying out tests under this section and otherwise for the purposes of the regulations.
- (7) Subject to subsection (8), the Authority may by notice in writing require a gas transporter to give to the Authority, or to any person appointed by it for the purpose, within such time and at such place as may be specified in the notice, such information as the Authority may reasonably require for the purpose of making regulations under this section or of giving directions under such regulations.
- (8) A gas transporter shall not be required under subsection (7) to give any information which he could not be compelled to give in evidence in civil proceedings before the High Court or, in Scotland, the Court of Session.
- (9) Every person who is a gas transporter during any period shall pay to the Authority such proportion as the Authority may determine of such part of its expenses for that

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period as the Authority may determine to be attributable to its functions in connection with the testing of gas for the purposes of this section.

- (10) It shall be the duty of every gas transporter to conduct his business in such a way as can reasonably be expected to secure compliance with the standards set under subsection (1).]

Textual Amendments

F122 S. 16 inserted (1.10.2001) by 2000 c. 27, s. 101; S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

^{F123}**15B**

Textual Amendments

F123 S. 15B repealed (1.3.1996) by 1995 c. 45, ss. 10(1), 17(5), Sch. 3 para. 11, Sch. 6; S.I. 1996/218, art. 2

[^{F124} Gas conveyed by public gas transporters and others]

Textual Amendments

F124 S. 16 and cross-heading preceding it substituted (1.3.1996) by 1995 c. 45, s. 10(1), Sch. 3 para. 12; S.I. 1996/218, art. 2

^{F125}**16**

Textual Amendments

F125 S. 16 repealed (1.4.1996) by S.I. 1996/551, reg. 12(1)

^{F126}**17 Meter testing and stamping.**

- (1) No meter shall be used for the purpose of ascertaining the quantity of gas supplied through pipes to any person unless it is stamped either by, or on the authority of, a meter examiner appointed under this section or in such other manner as may be authorised by regulations under this section.
- (2) Subject to subsections (3) to (5) below, it shall be the duty of a meter examiner who is [^{F127}employed in the civil service of the State], on being required to do so by any person and on payment of the requisite fee—
 - (a) to examine any meter used or intended to be used for ascertaining the quantity of gas supplied to any person; and
 - (b) to stamp, or authorise the stamping of, that meter.
- (3) A meter examiner shall not stamp, or authorise the stamping of, any meter unless he is satisfied that it is of such pattern and construction and is marked in such manner as

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- is approved by the Director and that the meter conforms with such standards as may be prescribed for the purposes of this subsection.
- (4) A meter examiner may stamp or authorise another person to stamp a meter, notwithstanding that he has not himself examined it, if—
- (a) the meter was manufactured or repaired by the person submitting it to the examiner;
 - (b) that person has obtained the consent of the Director to his submission; and
 - (c) any conditions subject to which the consent was given have been satisfied.
- (5) A meter examiner may authorise another person to stamp a meter, notwithstanding that he has not himself examined it, if—
- (a) the meter was manufactured or repaired by that person;
 - (b) that person has obtained the consent of the Director to his stamping of the meter; and
 - (c) any conditions subject to which the consent was given have been satisfied.
- (6) The Director shall appoint competent and impartial persons as meter examiners for the purposes of this section.
- (7) There shall be paid out of money provided by Parliament to meter examiners who are [F128 employed in the civil service of the State] such remuneration and such allowances as may be determined by the Director with the approval of the Treasury, and such pensions as may be so determined may be paid out of money provided by Parliament to or in respect of such examiners.
- [The Secretary of State may pay, out of money provided by Parliament, to meter
F129(7A) examiners who are not employed in the civil service of the State or to any employer of such examiners—
- (a) sums in connection with the performance by such examiners of functions conferred by or under this section or gas meter regulations (within the meaning of section 92 of the Energy Act 2008), and
 - (b) sums in respect of any pension payable to or in respect of such examiners.]
- (8) All fees payable to meter examiners who are [F130 employed in the civil service of the State] for the performance of functions conferred by or under this section shall be paid to the Director; and any sums received by him under this subsection shall be paid into the Consolidated Fund.
- (9) Regulations under this section, which shall be made by the Director F131 ... , may make provision—
- (a) for re-examining meters already stamped, and for the cancellation of stamps in the case of meters which no longer conform with the prescribed standards and in such other circumstances as may be prescribed;
 - (b) for requiring meters to be periodically overhauled; and
 - (c) for the revocation of any approval given by the Director to any particular pattern or construction of meter, and for requiring existing meters of that pattern or construction to be replaced within such period as may be prescribed for the purposes of this subsection.
- (10) The fees to be paid to meter examiners who are [F132 employed in the civil service of the State] for the performance of functions conferred by or under this section, and the persons by whom they are to be paid, shall be such as the Director may, with the

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approval of the Treasury, from time to time determine; and a determination under this subsection may—

- (a) make different provision for different areas or in relation to different cases or different circumstances; and
 - (b) make such supplementary, incidental or transitional provision as the Director considers necessary or expedient.
- (11) If any person supplies gas through a meter which has not been stamped under this section, he shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (12) Where the commission by any person of an offence under subsection (11) above is due to the act or default of some other person, that other person shall be guilty of the offence; and a person may be charged with and convicted of the offence by virtue of this subsection whether or not proceedings are taken against the first-mentioned person.
- (13) In any proceedings for an offence under subsection (11) above it shall be a defence for the person charged to prove that he took all reasonable steps and exercised all due diligence to avoid committing the offence.
- (14) The preceding provisions of this section shall not have effect in relation to the supply of gas to a person under any agreement providing for the quantity of gas supplied to him to be ascertained by a meter designed for rates of flow which, if measured at a temperature of 15°C and a pressure of 1013.25 millibars, would exceed 1600 cubic metres an hour.
- (15) Regulations under this section may provide that subsection (14) above shall have effect as if for the number of cubic metres an hour which is for the time being applicable for the purposes of that subsection there were substituted such lower number of cubic metres an hour as the Director considers appropriate.]

Textual Amendments

- F126** S. 17 substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 13**; S.I. 1996/218, **art. 2**
- F127** Words in s. 17(2) substituted (1.4.2009) by Energy Act 2008 (c. 32), **ss. 93(2)**, 110(2); S.I. 2009/45, **art. 3(b)(i)**
- F128** Words in s. 17(7) substituted (1.4.2009) by Energy Act 2008 (c. 32), **ss. 93(3)**, 110(2); S.I. 2009/45, **art. 3(b)(i)**
- F129** S. 17(7A) inserted (1.4.2009) by Energy Act 2008 (c. 32), **ss. 93(4)**, 110(2); S.I. 2009/45, **art. 3(b)(i)**
- F130** Words in s. 17(8) substituted (1.4.2009) by Energy Act 2008 (c. 32), **ss. 93(3)**, 110(2); S.I. 2009/45, **art. 3(b)(i)**
- F131** Words in s. 17(9) repealed (1.4.2009) by Energy Act 2008 (c. 32), **ss. 93(5)**, 110(2), **Sch. 6**; S.I. 2009/45, **art. 3(b)(i)**
- F132** Words in s. 17(10) substituted (1.4.2009) by Energy Act 2008 (c. 32), **ss. 93(3)**, 110(2); S.I. 2009/45, **art. 3(b)(i)**

Modifications etc. (not altering text)

- C37** S. 17 modified (30.10.2006) by The Measuring Instruments (Gas Meters) Regulations 2006 (S.I. 2006/2647), **regs. 1(2)**, **28(1)-(4)** (with **reg. 27(1)(2)**)
- C38** S. 17 modified (1.4.2009) by Energy Act 2008 (c. 32), **ss. 92(2)(5)**, 110(2); S.I. 2009/45, **art. 3(b)(i)**

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18 Safety regulations.

- ^{F133}(1)
- (2) The Secretary of State may by regulations make provision for empowering any officer authorised by the relevant authority—
- (a) to enter any premises in which there is a service pipe connected with a gas main, for the purpose of inspecting any gas fitting on the premises, any flue or means of ventilation used in connection with any such gas fitting, or [^{F134}any part of the gas system on the premises, that is to say,]any service pipe or other apparatus (not being a gas fitting) which is on the premises and is used for the [^{F134}conveyance or]supply of gas or is connected with a gas main;
 - (b) where he so enters any such premises, to examine or apply any test to any such object as is mentioned in paragraph (a) above and (where the object is a gas fitting) to verify what supply of air is available for it; and
 - (c) where in his opinion it is necessary to do so for the purpose of averting danger to life or property, and notwithstanding any contract previously existing, to disconnect and seal off any gas fitting or any part of the [^{F135}gas system on the premises, or disconnect the premises or, if the premises are not connected, to signify the refusal of the relevant authority to convey gas or, as the case may be, allow gas to be conveyed to the premises].
- (3) Where any regulations under subsection (2) above confer any power in accordance with paragraph (c) of that subsection, the regulations shall also include provision—
- (a) for securing that, where any such power is exercised, the consumer will be notified as to the nature of the defect or other circumstances in consequence of which it has been exercised;
 - (b) for enabling any consumer so notified to appeal to the Secretary of State on the grounds that the defect or other circumstances in question did not constitute a danger such as to justify the action taken in the exercise of the power, or did not exist or have ceased to exist; and
 - (c) for enabling the Secretary of State to give such directions as may in accordance with the regulations be determined by him to be appropriate in consequence of any such appeal.
- (4) Regulations made under subsection (2) above may make provision for prohibiting any person, except with the consent of the relevant authority or in pursuance of any directions given by the Secretary of State as mentioned in subsection (3)(c) above, from—
- (a) reconnecting any gas fitting or [^{F136}any part of any gas system] which has been disconnected by or on behalf of the relevant authority in exercise of a power conferred by the regulations; or
 - (b) [^{F137}reconnecting any premises which have been disconnected] by or on behalf of the relevant authority in the exercise of any such power; or
 - (c) causing gas from a gas main to be [^{F138}conveyed] to any premises where in pursuance of the regulations the refusal of the relevant authority to [^{F139}convey gas or, as the case may be, allow gas to be conveyed] to those premises has been signified and that refusal has not been withdrawn.
- (5) Where in pursuance of any powers conferred by regulations made under subsection (2) above, entry is made on any premises by an officer authorised by the relevant authority—

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- (a) the officer shall ensure that the premises are left no less secure by reason of the entry; and
 - (b) the relevant authority shall make good, or pay compensation for, any damage caused by the officer, or by any person accompanying him in entering the premises, in taking any action therein authorised by the regulations, or in making the premises secure.
- (6) Any officer exercising powers of entry conferred by regulations made under subsection (2) above may be accompanied by such persons as may be necessary or expedient for the purpose for which entry is made, or for the purposes of subsection (5) above.
- (7) If any person intentionally obstructs any officer exercising powers of entry conferred by regulations made under subsection (2) above, he shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (8) The ^{M4}Rights of Entry (Gas and Electricity Boards) Act 1954 (entry under a justice’s warrant) shall apply in relation to any powers of entry conferred by regulations made under subsection (2) above as if [^{F140}any reference to a gas operator were a reference to the relevant authority].
- [^{F141}(9) In this section “the relevant authority”—
- (a) in relation to dangers arising from the conveyance of gas by a [^{F142}gas transporter], or from the use of gas conveyed by such a transporter, means that transporter; and
 - (b) in relation to dangers arising from the conveyance of gas by a person other than a [^{F142}gas transporter], or from the use of gas conveyed by such a person, means the Secretary of State.
- (10) Where the relevant authority is a [^{F142}gas transporter], any reference in this section to any officer authorised by the authority includes a reference to any officer authorised by another such transporter with whom the authority has made arrangements for officers authorised by the other transporter to discharge any functions of the authority under this section.
- (11) Except in cases of emergency, no officer shall be authorised by a [^{F142}gas transporter] to exercise any powers of entry conferred by regulations under this section unless the transporter has taken all reasonable steps to ensure that he is a fit and proper person to exercise those powers.]

Textual Amendments

- F133** S. 18(1) repealed (6.3.1992) by [Offshore Safety Act 1992 \(c. 15\)](#), ss. 3(3)(a), 7(2), [Sch. 2](#).
- F134** Words in s. 18(2)(a) inserted (1.3.1996) by [1995 c. 45, s. 10\(1\)](#), [Sch. 3 para. 14\(1\)\(a\)](#); S.I. 1996/218, [art. 2](#).
- F135** Words in s. 18(2)(c) substituted (1.3.1996) by [1995 c. 45, s. 10\(1\)](#), [Sch. 3 para. 14\(1\)\(b\)](#); S.I. 1996/218, [art. 2](#).
- F136** Words in s. 18(4)(a) substituted (1.3.1996) by [1995 c. 45, s. 10\(1\)](#), [Sch. 3 para. 14\(2\)\(a\)](#); S.I. 1996/218, [art. 2](#).
- F137** Words in s. 18(4)(b) substituted (1.3.1996) by [1995 c. 45, s. 10\(1\)](#), [Sch. 3 para. 14\(2\)\(b\)](#); S.I. 1996/218, [art. 2](#).
- F138** Word in s. 18(4)(c) substituted (1.3.1996) by [1995 c. 45, s. 10\(1\)](#), [Sch. 3 para. 14\(2\)\(c\)](#); S.I. 1996/218, [art. 2](#).

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- F139** Words in s. 18(4)(c) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 14(2)(c)**; S.I. 1996/218, **art. 2**
- F140** Words in s. 18(8) substituted for s. 18(8)(a)(b) (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 14(3)**; S.I. 1996/218, **art. 2**
- F141** S. 18(9)-(11) substituted for s. 18(9) (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 14(4)**; S.I. 1996/218, **art. 2**
- F142** Words in s. 18 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. 1 para. 2(1)**; S.I. 2001/3266, **art. 2, Sch.** (subject to transitional provisions in **arts. 3-20**)

Marginal Citations

M4 1954 c. 21.

[^{F143}18A Gas escape regulations.

- (1) The Secretary of State may by regulations make provision—
- (a) for empowering any officer authorised by a [^{F144}gas transporter], if the transporter has reasonable cause to suspect—
 - (i) that gas conveyed by the transporter is escaping, or may escape, in any premises; or
 - (ii) that gas so conveyed which has escaped has entered, or may enter, any premises,
 to enter the premises, to carry out any work necessary to prevent the escape of gas and to take any other steps necessary to avert danger to life or property; and
 - (b) for empowering any officer so authorised, if the transporter has reasonable cause to suspect—
 - (i) that gas conveyed through pipes by some other person is escaping, or may escape, in any premises; or
 - (ii) that gas so conveyed which has escaped has entered, or may enter, any premises,
 to enter the premises and take any steps necessary to avert danger to life or property.
- (2) Subsections (5) to (7) and (11) of section 18 above shall apply for the purposes of this section as if—
- (a) any reference to subsection (2) of that section were a reference to subsection (1) above;
 - (b) any reference to the relevant authority were a reference to a [^{F144}gas transporter];
 - (c) any reference to subsection (5) of that section were a reference to that subsection as applied by this subsection; and
 - (d) the reference in subsection (11) of that section to regulations under that section were a reference to regulations under this section.
- (3) The ^{M5}Rights of Entry (Gas and Electricity Boards) Act 1954 (entry under a justice's warrant) shall apply in relation to any powers of entry conferred by regulations made under subsection (1) above.
- (4) Any reference in this section to any officer authorised by a [^{F144}gas transporter] includes a reference to any officer authorised by another such transporter with whom

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the transporter has made arrangements for officers authorised by the other transporter to discharge any functions under this section of officers authorised by the transporter.]

Textual Amendments

F143 S. 18A inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 15**; S.I. 1996/218, **art. 2**

F144 Words in s. 18A substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, **art. 2**, **Sch.** (subject to transitional provisions in **arts. 3-20**)

Marginal Citations

M5 1954 c.21.

[^{F145}Pipe-line systems, storage facilities and LNG import or export facilities: rights of use etc]

Textual Amendments

F145 S. 19 cross-heading substituted (10.11.2011) by **The Electricity and Gas (Internal Markets) Regulations 2011** (S.I. 2011/2704), **regs. 1(1), 8(1)**

19 [^{F146}Acquisition of rights to use pipe-line systems.]

- (1) In the case of a pipe-line system operated by a [^{F147}gas transporter], any person may, after giving the transporter not less than 28 days' notice, apply to the Director for directions under this section which would secure to the applicant a right of a description specified in the application to have conveyed by the system gas which—
 - (a) is of a kind so specified; and
 - (b) is of, or of a kind similar to, the kind which the system is designed to convey.
- (2) Where an application is made under subsection (1) above, it shall be the duty of the Director—
 - (a) to decide whether the application is to be adjourned (so as to enable negotiations or further negotiations to take place), considered further or rejected;
 - (b) to give notice of his decision to the applicant;
 - (c) in the case of a decision that the application is to be considered further, to give to the transporter, to the Health and Safety Executive and to any person who has a right to have gas conveyed by the pipe-line system, notice that the application is to be so considered and an opportunity of being heard about the matter.
- (3) Where, after further considering an application under subsection (1) above, the Director is satisfied that the giving of directions under this section would not prejudice the efficient operation of the pipe-line system, or the conveyance by the system of—
 - (a) the quantities of gas which the [^{F147}gas transporter] requires or may reasonably be expected to require to be conveyed by the system to enable the transporter to comply with the conditions of his licence and to perform his contractual obligations;
 - (b) the quantities of gas which any person who has a right to have gas conveyed by the system is entitled to require to be so conveyed in the exercise of that right,the Director may give such directions to the transporter.

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- (4) Directions under this section may—
- (a) specify the terms on which the Director considers the [F147 gas transporter] should enter into an agreement with the applicant for all or any of the following purposes—
 - (i) for securing to the applicant the right to have conveyed by the pipe-line system, for the period specified in the directions and in the quantities so specified or determined by or under the directions, gas which is of a kind so specified;
 - (ii) for securing that the exercise of that right is not prevented or impeded;
 - (iii) for regulating the charges which may be made for the conveyance of gas by virtue of that right;
 - (iv) for securing to the applicant such ancillary or incidental rights as the Director considers necessary or expedient, which may include the right to have a pipe-line of his connected to the pipe-line system by the transporter;
 - (b) specify the sums or the method of determining the sums which the Director considers should be paid by way of consideration for any such right; and
 - (c) require the transporter, if the applicant pays or agrees to pay those sums within a period specified in that behalf in the directions, to enter into an agreement with him on the terms so specified.
- (5) In giving any directions under this section, the Director shall apply the principle that the [F147 gas transporter] should be entitled to receive by way of charges for the conveyance of gas by virtue of the right—
- (a) the appropriate proportion of the costs incurred by the transporter in administering, maintaining and operating his pipe-line system; and
 - (b) a return equal to the appropriate proportion of the return received by the transporter (otherwise than by virtue of the right) on the capital value of the system (including so much of that return as is set aside to meet the need from time to time to renew the system).
- (6) In subsection (5) above “the appropriate proportion” means such proportion as properly—
- (a) reflects the use made of the [F147 gas transporter’s] pipe-line system by virtue of the right as compared with the use made of that system for other purposes; and
 - (b) takes into account the sums paid by way of consideration for the right and any sums paid in respect of the pipe-line system (whether by the applicant or by any other person) in pursuance of directions under section 21(1) below.
- (7) Any reference in this section to a right to have gas of any kind conveyed by a pipe-line system includes a reference to a right to introduce into, or take out of, such a system gas of that kind.

Textual Amendments

F146 S. 19 and preceding cross-heading substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 16**; S.I. 1996/218, **art. 2**

F147 Words in s. 19 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. 1 para. 2(1)(2)**; S.I. 2001/3266, **art. 2, Sch.** (subject to transitional provisions in **arts. 3-20**)

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Modifications etc. (not altering text)

C39 S. 19 applied (with modifications) (1.3.1996) by S.I. 1996/399, art. 4(2)

C40 S. 19(2)(c) applied (with modifications) (1.3.1996) by S.I. 1996/399, art. 4(4)(c)

[^{F148}19A Application of section 19B to storage facilities.

[^{F149}(1) Section 19B applies to a storage facility, except as provided in subsections (1A) and (1B).

(1A) Section 19B does not apply to a storage facility if it is subject to a minor facility exemption under section 8S.

(1B) Section 19B does not apply to a storage facility if, or to the extent that, it is exempt under this section.

(1C) The Authority must maintain on its website a list of the facilities to which section 19B applies.

(1D) If only part of the capacity of a storage facility is exempt under this section, the list under subsection (1C) must specify the extent to which section 19B applies to the facility.]

(2) [^{F150}A person who is or expects to be an owner] of a storage facility may apply in writing to the Director for an exemption [^{F151}under this section][^{F152} with respect to the facility] .

[An application under subsection (2) must relate to—

^{F153}(2A) (a) a storage facility (or proposed storage facility) which is not yet operational; or
(b) a modification (or proposed modification) which falls within subsection (2B) and is not yet operational.

(2B) A modification (or proposed modification) falls within this subsection if it is—

- (a) a modification of a storage facility to provide for a significant increase in the capacity of the facility; or
- (b) a modification of a storage facility to enable the development of new sources of gas supply.

(2C) The Authority must send to the European Commission a copy of an application under subsection (2) as soon as is reasonably practicable following its receipt.]

[^{F154}(3) An exemption under this section must be given in writing and on the following terms—

- (a) a term specifying the period of the exemption, or specifying how that period is to be determined;
- (b) a term as to whether the exemption applies to all of the capacity of the facility or part of that capacity only;
- (c) a term that the owner must comply with the capacity allocation mechanism approved in accordance with section 19DB; and
- (d) such other terms regarding non-discriminatory access to the facility or any other matter as the Authority considers appropriate.

(3A) When determining a term under subsection (3) the Authority must take into account—

- (a) the capacity of the facility or (as the case may be) the increase in capacity of the facility;

Status: Point in time view as at 21/03/2012.

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- (b) the length of time required to recover the investment in the facility or (as the case may be) the investment in the modification;
- (c) the implications of the exemption for the operation of the gas market in Great Britain.]

^{F155}(4)

^{F155}[^{F156}(5)

(6) [^{F157}Where the Authority receives an application under subsection (2) in relation to a facility or modification, it must give an exemption if it is satisfied that] —

^{F158}(a)

(b) the requirements of subsection (8) are met.

[^{F159}(6A) An exemption given in accordance with subsection (6) may apply to all of the capacity of the facility concerned or to part of that capacity only, regardless of the extent of the exemption applied for; but this is subject to subsection (7).]

(7) In respect of a facility which is or is to be modified to provide for a significant increase in its capacity, an exemption by virtue of subsection (6)(b) may only be given in relation to that increase in its capacity [^{F160}or part of that increase in its capacity] .

[^{F161}(7A) When deciding whether the requirements of subsection (8)(a), (d) and (e) are met, the Authority must take into account the way in which capacity is to be allocated under the capacity allocation mechanism approved in accordance with section 19DB.]

(8) The requirements of this subsection are that—

(a) the facility or (as the case may be) the [^{F162}modification] will promote security of supply;

(b) the level of risk is such that the investment to construct the facility or (as the case may be) to modify the facility ^{F163}... would not be or would not have been made without the exemption;

(c) the facility is or is to be owned by a person other than the gas transporter who operates or will operate the pipeline system connected or to be connected to the facility;

(d) charges will be levied on users of the facility or (as the case may) the increase in its capacity; [^{F164}and]

(e) the exemption will not be detrimental to competition, the operation of an economically efficient gas market or the efficient functioning of the pipeline system connected or to be connected to the facility; ^{F165}...

^{F165}(f)

(9) Subject to [^{F166}subsections (9A) and (10)] , an exemption may not be given by virtue of subsection (6)(b) more than once in respect of the same facility.

[^{F167}(9A) Subsection (9) does not prevent a further exemption being given by virtue of subsection (6)(b) in respect of a facility if the previous exemption given by virtue of that provision in respect of the facility has been revoked under section 19AA(5).]

(10) Subsection (9) does not prevent a further exemption being given by virtue of subsection (6)(b) in respect of a facility if—

the facility is or is to be modified to provide for a significant increase in its capacity [^{F168}or to enable the development of new sources of gas supply] ;

the exemption has effect only in relation to [^{F169}that modification] ; and

Status: Point in time view as at 21/03/2012.

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no previous exemption has been given by virtue of subsection (6)(b) in relation to ^{F169}[that modification] .

- (11) The Authority shall publish its decision to give or refuse to give an exemption ^{F170}[^{F170}under this section, together with the reasons for its decision,] in such manner as it considers appropriate.]]

Textual Amendments

- F148** Ss. 19A-19E inserted (10.8.2000) by S.I. 2000/1937, reg. 2(2), **Sch. 2 para. 1**
- F149** Ss. 19A(1)-(1D) substituted for s. 19A(1) (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **8(3)**
- F150** Words in s. 19A(2) substituted (26.8.2004) by The Gas (Third Party Access) Regulations 2004 (S.I. 2004/2043), reg. 1, **Sch. 2 para. 1(b)**
- F151** Words in s. 19A(2) inserted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **8(4)**
- F152** Words in s. 19A(2) substituted (26.8.2004) by The Gas (Third Party Access) Regulations 2004 (S.I. 2004/2043), reg. 1, **Sch. 2 para. 1(c)**
- F153** Ss. 19A(2A)-(2C) inserted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **8(5)**
- F154** S. 19A(3)(3A) substituted for s. 19A(3) (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **8(6)**
- F155** S. 19A(4)(5) omitted (10.11.2011) by virtue of The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **8(7)**
- F156** Ss. 19A(5)-(11) substituted for s.19(5) (26.8.2004) by The Gas (Third Party Access) Regulations 2004 (S.I. 2004/2043), reg. 1, **Sch. 2 para. 1(f)**
- F157** Words in s. 19A(6) substituted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **8(8)(a)**
- F158** S. 19A(6)(a) omitted (10.11.2011) by virtue of The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **8(8)(b)**
- F159** S. 19A(6A) inserted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **8(9)**
- F160** Words in s. 19A(7) inserted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **8(10)**
- F161** S. 19A(7A) inserted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **8(11)**
- F162** Word in s. 19A(8)(a) substituted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **8(12)(a)**
- F163** Words in s. 19A(8)(b) omitted (10.11.2011) by virtue of The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **8(12)(b)**
- F164** Word in s. 19A(8)(d) inserted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **8(12)(c)**
- F165** S. 19A(8)(f) and preceding word omitted (10.11.2011) by virtue of The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **8(12)(d)**
- F166** Words in s. 19A(9) substituted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **8(13)**
- F167** S. 19A(9A) inserted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **8(14)**
- F168** Words in s. 19A(10) inserted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **8(15)(a)**
- F169** Words in s. 19A(10) substituted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **8(15)(b)**

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F170 Words in s. 19A(11) substituted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **8(16)**

[^{F171}19A] Review and revocation of exemptions under section 19A

- (1) If the Authority gives, or refuses to give, an exemption under section 19A it must send the following to the European Commission as soon as is reasonably practicable—
 - (a) if the exemption was given, a copy of the exemption and of the terms on which it has been given;
 - (b) the Authority’s reasons for giving the exemption or not giving it, which must address each of the matters listed in Article 36(1) of the Gas Directive;
 - (c) any supporting information held by the Authority which is relevant to the application for an exemption, including in particular any—
 - (i) relevant financial information;
 - (ii) analysis of the likely effect of the exemption on competition and on the effective functioning of the EU market for natural gas;
 - (d) if the exemption was given, the basis on which the Authority determined—
 - (i) the period of the exemption or how that period is to be determined; and
 - (ii) the capacity to which the exemption applies;
 - (e) any contribution by the storage facility to the diversification of the supply of gas; and
 - (f) any other information requested by the European Commission.
- (2) If, in accordance with Article 36(9) of the Gas Directive, the European Commission requires the Authority to revoke an exemption given under section 19A, or to modify the terms on which it is given, the Authority must—
 - (a) comply with that request within the period of 1 month beginning with the day on which it receives the request; and
 - (b) inform the European Commission when it has done so.
- (3) The Authority must revoke an exemption given under section 19A in respect of a facility—
 - (a) if the construction of the facility, or (as the case may be) the making of the modification to which the exemption relates, has not been started within the 2 years beginning with the relevant date; or
 - (b) if the facility, or (as the case may be) the modification to which the exemption relates, is not operational within the 5 years beginning with the relevant date.
- (4) In subsection (3) “relevant date” means—
 - (a) if the European Commission notified the Authority that it approved the exemption and terms as copied to it under subsection (1), the date of that notification;
 - (b) if, in accordance with Article 36(9) of the Gas Directive, the European Commission required the Authority to modify the terms, the date of that requirement;
 - (c) otherwise, the date 4 months after the Authority sent the Commission a copy of the exemption and terms under subsection (1).
- (5) The Authority may at any other time revoke an exemption given under section 19A, or modify the terms on which such an exemption is given, in respect of a facility—

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- (a) in accordance with the provisions of the exemption; or
- (b) by giving the owner of the facility a notice of revocation at least 4 months before the revocation takes effect.]

Textual Amendments

F171 S. 19AA inserted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), 9

[^{F172}19B Acquisition of rights to use storage facilities.

- (1) The owner of a storage facility to which this section applies (a “relevant facility”)—
 - (a) shall publish at least once in every year the main commercial conditions relating to the grant to another person of a right to have gas [^{F173}or liquid gas] stored in the facility on that person’s behalf; and
 - (b) shall publish any changes to the published conditions as soon as they become effective.
- (2) In subsection (1) “year” means any year ending with 9th August.
- (3) The owner of a relevant facility shall ensure that the conditions which he is required to publish under subsection (1) do not discriminate against any applicants or descriptions of applicants, or any potential applicants or descriptions of potential applicants, for a right to have gas [^{F173}or liquid gas] stored in the facility.

[At least 2 months before publishing the main commercial conditions, or any changes to

^{F174}(3A) the published conditions, under subsection (1), the owner of a relevant facility must—

 - (a) publish a draft of the proposed conditions or changes; and
 - (b) inform any person who has a right to have gas stored in the facility that the draft has been published.

(3B) When finalising conditions or changes under subsection (1), the owner of a relevant facility must take into account any representations it has received about the proposed conditions or changes.]
- (4) Any person who seeks a right to have gas [^{F173}or liquid gas] stored on his behalf in a relevant facility (“the applicant”) shall, before making an application to the Director under subsection (8), apply to the owner of the facility for the right.
- (5) An application under subsection (4) shall be made by giving notice to the owner specifying what is being sought.
- (6) Such a notice shall, in particular, specify—
 - (a) the period during which the gas [^{F173}or liquid gas] is to be stored in the facility;
 - (b) the kind of gas [^{F173}or liquid gas] to be stored (which must be of, or similar to, the kind which the facility is designed to store); and
 - (c) the quantities of gas [^{F173}or liquid gas] to be stored.
- (7) Where an applicant gives notice under subsection (5), he and the owner of the facility shall negotiate in good faith and endeavour to reach agreement on the application.

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- (8) If the owner and the applicant do not reach any such agreement, the applicant may apply to the Director for directions under subsection (11) which would secure to the applicant the right specified in the notice under subsection (5).
- (9) The Director shall not entertain an application under subsection (8) unless he is satisfied that the parties have had a reasonable time in which to fulfil their duties under subsection (7).
- (10) Where a person applies to the Director under subsection (8) and the Director is satisfied as mentioned in subsection (9), the Director shall—
- (a) decide whether the application is to be adjourned (so as to enable further negotiations to take place), considered further or rejected;
 - (b) give notice of his decision to the applicant; and
 - (c) in the case of a decision that the application is to be considered further, give to the owner of the facility, the Health and Safety Executive and any person who has a right to have gas [^{F173}or liquid gas] stored in the facility notice that the application is to be so considered and an opportunity of being heard on the matter.
- (11) Where, after considering an application under subsection (8), the Director is satisfied that the giving of directions under this subsection would not prejudice the efficient operation of the facility, or the storage in the facility of—
- (a) the quantities of gas [^{F173}or liquid gas] which the owner of the facility requires or may reasonably be expected to require to be stored in the facility; and
 - (b) the quantities of gas [^{F173}or liquid gas] which any person who has a right to have gas [^{F173}or liquid gas] stored in the facility is entitled to require to be so stored in the exercise of that right;
- the Director may give such directions to the owner of the facility.
- (12) Directions under subsection (11) may—
- (a) specify the terms on which the Director considers the owner of the facility should enter into an agreement with the applicant for all or any of the following purposes—
 - (i) for securing to the applicant the right to have stored in the facility, for the period specified in the directions and in the quantities so specified or determined by or under the directions, gas [^{F173}or liquid gas] which is of a kind so specified;
 - (ii) for securing that the exercise of that right is not prevented or impeded;
 - (iii) for regulating the charges which may be made for the storage of gas [^{F173}or liquid gas] by virtue of that right;
 - (iv) for securing to the applicant such ancillary or incidental rights as the Director considers necessary or expedient (which may include, in particular, a right to have a pipeline of his connected to the facility by the owner);
 - (b) specify the sums or the method of determining the sums which the Director considers should be paid by way of consideration for any such right; and
 - (c) require the owner, if the applicant pays or agrees to pay those sums within a period specified in that behalf in the directions, to enter into an agreement with him on the terms so specified.]

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Textual Amendments

- F172** Ss. 19A-19E inserted (10.8.2000) by [S.I. 2000/1937, reg. 2\(2\), Sch. 2 para. 1](#)
- F173** Words in s. 19B inserted (26.8.2004) by [The Gas \(Third Party Access\) Regulations 2004 \(S.I. 2004/2043\), reg. 1, Sch. 2 para. 2](#)
- F174** S. 19B(3A)(3B) inserted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\), regs. 1\(1\), 10](#)

[^{F175}19C Application of section 19D to LNG facilities.

[^{F176}(1) Section 19D applies to an LNG import or export facility, except as provided in subsections (1A) and (1B).

(1A) Section 19D does not apply to an LNG import or export facility if, or to the extent that, it is exempt under this section.

(1B) Section 19D does not apply to an LNG import or export facility if it is exempt under section 19DZA.]

(2) [^{F177}A person who is or expects to be an owner of an [^{F178}LNG import or export facility]] may apply in writing to the Director for an exemption [^{F179}under this section][^{F180}with respect to the facility].

[An application under subsection (2) must relate to—

^{F181}(2A) (a) a facility (or proposed facility) which is not yet operational; or
(b) a modification (or proposed modification) which falls within subsection (2B) and is not yet operational.

(2B) A modification (or proposed modification) falls within this subsection if it is—
(a) a modification of an LNG import or export facility to provide for a significant increase in the capacity of the facility; or
(b) a modification of an LNG import or export facility to enable the development of new sources of gas supply.

(2C) The Authority must send to the European Commission a copy of an application under subsection (2) as soon as is reasonably practicable following its receipt.]

[^{F182}(3) An exemption under this section must be given in writing and on the following terms—

- (a) a term specifying the period of the exemption, or specifying how that period is to be determined;
(b) a term as to whether the exemption applies to all of the capacity of the facility or part of that capacity only;
(c) a term that the owner must comply with the capacity allocation mechanism approved in accordance with section 19DB; and
(d) such other terms regarding non-discriminatory access to the facility or any other matter as the Authority considers appropriate.

(3A) When determining a term under subsection (3) the Authority must take into account—

- (a) the capacity of the facility or (as the case may be) the increase in capacity of the facility;
(b) the length of time required to recover the investment in the facility or (as the case may be) the investment in the modification; and

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- (c) the implications of the exemption for the operation of the gas market in Great Britain.]
- ^{F183}(4)
- ^{F184}(5) The Authority shall give an exemption with respect to a facility where it is satisfied that the requirements of subsection (7) are met.
- ^{F185}(5A) An exemption given in accordance with subsection (5) may apply to all of the capacity of the facility concerned or to part of that capacity only, regardless of the extent of the exemption applied for; but this is subject to subsection (6).]
- (6) In respect of a facility which is or is to be modified to provide for a significant increase in its capacity, an exemption by virtue of subsection (5) may only be given in relation to that increase in its capacity [^{F186}or part of that increase in its capacity].
- ^{F187}(6A) When deciding whether the requirements of subsection (7)(a), (d) and (e) are met, the Authority must take into account the way in which capacity is to be allocated under the capacity allocation mechanism approved in accordance with section 19DB.]
- (7) The requirements of this subsection are that—
- (a) the facility or (as the case may be) the [^{F188}modification] will promote security of supply;
 - (b) the level of risk is such that the investment to construct the facility or (as the case may be) to modify the facility ^{F189}... would not be or would not have been made without the exemption;
 - (c) the facility is or is to be owned by a person other than the gas transporter who operates or will operate the pipeline system connected or to be connected to the facility;
 - (d) charges will be levied on users of the facility or (as the case may be) the increase in its capacity; [^{F190}and]
 - (e) the exemption will not be detrimental to competition, the operation of an economically efficient gas market or the efficient functioning of the pipeline system connected or to be connected to the facility; ^{F191}...
- ^{F191}(f)
- (8) Subject to [^{F192}subsections (8A) and (9)], an exemption may not be given by virtue of subsection (5) more than once in respect of the same facility.
- ^{F193}(8A) Subsection (8) does not prevent a further exemption being given by virtue of subsection (5) in respect of a facility if the previous exemption given by virtue of that subsection in respect of the facility has been revoked under section 19CA(3).]
- (9) Subsection (8) does not prevent a further exemption being given by virtue of subsection (5) in respect of a facility if—
- the facility is or is to be modified to provide for significant increase in its capacity [^{F194}or to enable the development of new sources of gas supply];
 - the exemption has effect only in relation to [^{F195}modification]; and
 - no previous exemption has been given by virtue of subsection (5) in relation to [^{F195}modification].
- (10) The Authority shall publish its decision to give or refuse to give an exemption [^{F196}under this section, together with the reasons for its decision,] in such manner as it considers appropriate.]]

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Textual Amendments

- F175** Ss. 19A-19E inserted (10.8.2000) by S.I. 2000/1937, reg. 2(2), **Sch. 2 para. 1**
- F176** S. 19C(1)-(1B) substituted for s. 19C(1) (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **11(2)**
- F177** Words in s. 19C(2) substituted (26.8.2004) by The Gas (Third Party Access) Regulations 2004 (S.I. 2004/2043), reg. 1, **Sch. 2 para. 3(b)**
- F178** Words in s. 19C(2) substituted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **11(3)(a)**
- F179** Words in s. 19C(2) inserted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **11(3)(b)**
- F180** Words in s. 19C(2) substituted (26.8.2004) by The Gas (Third Party Access) Regulations 2004 (S.I. 2004/2043), reg. 1, **Sch. 2 para. 3(c)**
- F181** S. 19C(2A)-(2C) inserted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **11(4)**
- F182** S. 19C(3)(3A) substituted for s. 19C(3) (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **11(5)**
- F183** S. 19C(4) omitted (10.11.2011) by virtue of The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **11(6)**
- F184** S. 19C(5)-(10) substituted for s. 19C(5) (26.8.2004) by The Gas (Third Party Access) Regulations 2004 (S.I. 2004/2043), reg. 1, **Sch. 2 para. 3(f)**
- F185** S. 19C(5A) inserted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **11(7)**
- F186** Words in s. 19C(6) inserted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **11(8)**
- F187** S. 19C(6A) inserted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **11(9)**
- F188** Word in s. 19C(7)(a) substituted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **11(10)(a)**
- F189** Words in s. 19C(7)(b) omitted (10.11.2011) by virtue of The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **11(10)(b)**
- F190** Word in s. 19C(7)(d) inserted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **11(10)(c)**
- F191** S. 19C(7)(f) and word omitted (10.11.2011) by virtue of The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **11(10)(d)**
- F192** Words in s. 19C(8) substituted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **11(11)**
- F193** S. 19C(8A) inserted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **11(12)**
- F194** Words in s. 19C(9) inserted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **11(13)(a)**
- F195** Word in s. 19C(9) substituted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **11(13)(b)**
- F196** Words in s. 19C(10) substituted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **11(14)**

[^{F197}19C] **Review and revocation of exemptions under section 19C**

- (1) If the Authority gives, or refuses to give, an exemption under section 19C it must send the following to the European Commission as soon as is reasonably practicable—

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- (a) if an exemption was given, a copy of the exemption and of the terms on which it has been given;
 - (b) the Authority's reasons for giving the exemption or not giving it, which must address each of the matters listed in Article 36(1) of the Gas Directive;
 - (c) any supporting information held by the Authority which is relevant to the application for an exemption, including in particular any—
 - (i) relevant financial information;
 - (ii) analysis of the likely effect of the exemption on competition and on the effective functioning of the EU market for natural gas;
 - (d) if an exemption was given, the basis on which the Authority determined—
 - (i) the period of the exemption or how that period is to be determined; and
 - (ii) the capacity to which the exemption applies;
 - (e) any contribution by the storage facility to the diversification of gas supply; and
 - (f) any other information requested by the European Commission.
- (2) If, in accordance with Article 36(9) of the Gas Directive, the European Commission requires the Authority to revoke an exemption given under section 19C, or to modify the terms on which such an exemption is given, the Authority must—
- (a) comply with that request within the period of 1 month beginning with the day on which it receives the request; and
 - (b) inform the European Commission when it has done so.
- (3) The Authority must revoke an exemption given under section 19C in respect of a facility—
- (a) if the construction of the facility, or (as the case may be) the making of the modification to which the exemption relates, has not been started within the 2 years beginning with the relevant date; or
 - (b) if the facility, or (as the case may be) the modification to which the exemption relates, is not operational within the 5 years beginning with the relevant date.
- (4) In subsection (4) “relevant date” means—
- (a) if the European Commission notified the Authority that it approved the exemption and terms as copied to it under subsection (1), the date of that notification;
 - (b) if, in accordance with Article 36(9) of the Gas Directive, the European Commission required the Authority to modify the terms, the date of that requirement;
 - (c) otherwise, the date 4 months after the Authority sent the Commission a copy of the exemption and terms under subsection (1).
- (5) The Authority may at any other time revoke an exemption given under section 19C, or modify the terms on which such an exemption is given, in respect of a facility—
- (a) in accordance with the provisions of the exemption; or
 - (b) by giving the owner of the facility a notice of revocation at least 4 months before the revocation takes effect.]

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Textual Amendments

F197 S. 19CA inserted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), 12

[^{F198}19D Acquisition of rights to use LNG facilities.

- (1) [^{F199}Subject to subsection (2A), the owner of an [^{F200}LNG import or export facility]] to which this section applies (a “relevant facility”)—
 - (a) shall publish [^{F201}prior to their entry into force] the main commercial conditions relating to the grant to another person of a right to have [^{F202}gas or][^{F201}liquid gas] treated in the facility on that person’s behalf; and
 - (b) shall publish any changes to the published conditions as soon as they become effective.

^{F203}(2)

[The cost or the method of determining the cost of acquiring the right to have [^{F202}gas
^{F204}(2A) or] liquid gas treated in a relevant facility and any changes thereto must be approved by the Authority prior to their publication; and such approval may be given on condition that certain modifications are made to the cost or methodology.

(2B) Before the owner of a relevant facility seeks approval under subsection (2A) he must carry out such consultation as the Authority may require.]

(3) The owner of a relevant facility shall ensure that the conditions which he is required to publish under subsection (1) do not discriminate against any applicants or descriptions of applicants, or any potential applicants or descriptions of potential applicants, for a right to have [^{F202}gas or][^{F205}liquid gas] treated in the facility.

(4) Any person who seeks a right to have [^{F202}gas or][^{F206}liquid gas] treated on his behalf in a relevant facility (“the applicant”) shall, before making an application to the Director under subsection (8), apply to the owner of the facility for the right.

(5) An application under subsection (4) shall be made by giving notice to the owner specifying what is being sought.

(6) Such a notice shall, in particular, specify—

- ^{F207}(a)
- (b) the kind of [^{F202}gas or][^{F208}liquid gas] to be treated (which must be of, or similar to, the kind which the facility is designed to treat); and
- (c) the quantities of [^{F202}gas or][^{F209}liquid gas] to be treated.

[^{F210}(7) The owner shall notify the applicant of his decision giving reasons for any refusal.]

(8) If the owner [^{F211}refuses the application] , the applicant may apply to the Director for directions under subsection (11) which would secure to the applicant the right specified in the notice under subsection (5).

^{F212}(9)

(10) [^{F213}Where a person applies to the Authority under subsection (8), the Authority shall—]

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- [^{F214}(a) decide whether to give directions under subsection (11), to consider the application further or to reject the application]
- (b) give notice of his decision to the applicant; and
- [^{F215}(c) in the case of a decision that the application is to be considered further—
- (i) give to the owner of the facility, the Health and Safety Executive and any person who has a right to have [^{F202}gas or] liquid gas treated in the facility notice that the application is to be so considered and an opportunity of being heard about the matter; and
- (ii) after so considering the matter, decide whether to give directions under subsection (11) or to reject the application and give notice of its decision to the applicant.]
- (11) Where, after considering an application under subsection (8), the Director is satisfied that the giving of directions under this subsection would not prejudice the efficient operation of the facility, or the treatment in the facility of—
- (a) the quantities of [^{F202}gas or][^{F216}liquid gas] which the owner of the facility requires or may reasonably be expected to require to be treated in the facility; and
- (b) the quantities of [^{F202}gas or][^{F216}liquid gas] which any person who has a right to have [^{F202}gas or][^{F216}liquid gas] treated in the facility is entitled to require to be so treated in the exercise of that right;
- the Director may give such directions to the owner of the facility [^{F217}; but this is subject to subsections (11A) and (11B)] .
- [When considering whether the giving of directions under subsection (11) in respect of
- ^{F218}(11A) an LNG import or export facility would be prejudicial as mentioned in that subsection, the Authority must disregard any difficulties by virtue of which the owner of the facility may or must apply for an exemption under section 19DZA with respect to the facility.
- (11B) The Authority must not give directions under subsection (11) in respect of an LNG import or export facility if—
- (a) such directions would prevent the owner from carrying out any public service obligation, within the meaning of paragraph (2) of Article 3 of the Gas Directive, which is imposed on the owner pursuant to that paragraph; or
- (b) an exemption is in force with respect to the facility under section 19DZA (regardless of whether that exemption was given before or after the application to the Authority under subsection (8) was made).]
- (12) Directions under subsection (11) may—
- (a) specify the terms on which the Director considers the owner of the facility should enter into an agreement with the applicant for all or any of the following purposes—
- (i) for securing to the applicant the right to have treated in the facility, ^{F219}... and in the quantities so specified or determined by or under the directions, [^{F202}gas or][^{F220}liquid gas] which is of a kind so specified;
- (ii) for securing that the exercise of that right is not prevented or impeded;
- (iii) for regulating the charges which may be made for the treatment of [^{F202}gas or][^{F221}liquid gas] by virtue of that right;
- (iv) for securing to the applicant such ancillary or incidental rights as the Director considers necessary or expedient ^{F222}...;

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- (b) specify the sums or the method of determining the sums which the Director considers should be paid by way of consideration for any such right; and
- (c) require the owner, if the applicant pays or agrees to pay those sums within a period specified in that behalf in the directions, to enter into an agreement with him on the terms so specified.]

Textual Amendments

- F198** Ss. 19A-19E inserted (10.8.2000) by [S.I. 2000/1937](#), reg. 2(2), **Sch. 2 para. 1**
- F199** Words in s. 19D(1) substituted (26.8.2004) by [The Gas \(Third Party Access\) Regulations 2004](#) (S.I. 2004/2043), reg. 1, **Sch. 2 para. 4(a)**
- F200** Words in s. 19D(1) substituted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011](#) (S.I. 2011/2704), regs. 1(1), **13(2)**
- F201** Words in s. 19D(1)(a) substituted (26.8.2004) by [The Gas \(Third Party Access\) Regulations 2004](#) (S.I. 2004/2043), reg. 1, **Sch. 2 para. 4(b)**
- F202** Words in s. 19D inserted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011](#) (S.I. 2011/2704), regs. 1(1), **13(3)**
- F203** S. 19D(2) ceased to have effect (26.8.2004) by virtue of [The Gas \(Third Party Access\) Regulations 2004](#) (S.I. 2004/2043), reg. 1, **Sch. 2 para. 4(c)**
- F204** S. 19D(2A)(2B) inserted (26.8.2004) by [The Gas \(Third Party Access\) Regulations 2004](#) (S.I. 2004/2043), reg. 1, **Sch. 2 para. 4(d)**
- F205** Words in s. 19D(3) substituted (26.8.2004) by [The Gas \(Third Party Access\) Regulations 2004](#) (S.I. 2004/2043), reg. 1, **Sch. 2 para. 4(e)**
- F206** Words in s. 19D(4) substituted (26.8.2004) by [The Gas \(Third Party Access\) Regulations 2004](#) (S.I. 2004/2043), reg. 1, **Sch. 2 para. 4(e)**
- F207** S. 19D(6)(a) ceased to have effect (26.8.2004) by virtue of [The Gas \(Third Party Access\) Regulations 2004](#) (S.I. 2004/2043), reg. 1, **Sch. 2 para. 4(f)**
- F208** Words in s. 19D(6)(b) substituted (26.8.2004) by [The Gas \(Third Party Access\) Regulations 2004](#) (S.I. 2004/2043), reg. 1, **Sch. 2 para. 4(g)**
- F209** Words in s. 19D(6)(c) substituted (26.8.2004) by [The Gas \(Third Party Access\) Regulations 2004](#) (S.I. 2004/2043), reg. 1, **Sch. 2 para. 4(g)**
- F210** S. 19D(7) substituted (26.8.2004) by [The Gas \(Third Party Access\) Regulations 2004](#) (S.I. 2004/2043), reg. 1, **Sch. 2 para. 4(h)**
- F211** Words in s. 19D(8) substituted (26.8.2004) by [The Gas \(Third Party Access\) Regulations 2004](#) (S.I. 2004/2043), reg. 1, **Sch. 2 para. 4(i)**
- F212** S. 19D(9) ceased to have effect (26.8.2004) by virtue of [The Gas \(Third Party Access\) Regulations 2004](#) (S.I. 2004/2043), reg. 1, **Sch. 2 para. 4(j)**
- F213** Words in s. 19D(10) substituted (26.8.2004) by [The Gas \(Third Party Access\) Regulations 2004](#) (S.I. 2004/2043), reg. 1, **Sch. 2 para. 4(k)**
- F214** S. 19D(10)(a) substituted (26.8.2004) by [The Gas \(Third Party Access\) Regulations 2004](#) (S.I. 2004/2043), reg. 1, **Sch. 2 para. 4(l)**
- F215** S. 19D(10)(c) substituted (26.8.2004) by [The Gas \(Third Party Access\) Regulations 2004](#) (S.I. 2004/2043), reg. 1, **Sch. 2 para. 4(m)**
- F216** Words in s. 19D(11) substituted (26.8.2004) by [The Gas \(Third Party Access\) Regulations 2004](#) (S.I. 2004/2043), reg. 1, **Sch. 2 para. 4(n)**
- F217** Words in s. 19D(11) inserted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011](#) (S.I. 2011/2704), regs. 1(1), **13(4)**
- F218** S. 19D(11A)(11B) inserted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011](#) (S.I. 2011/2704), regs. 1(1), **13(5)**
- F219** Words in s. 19D(12)(a)(i) omitted (26.8.2004) by virtue of [The Gas \(Third Party Access\) Regulations 2004](#) (S.I. 2004/2043), reg. 1, **Sch. 2 para. 4(o)(i)**

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- F220** Words in s. 19D(12)(a)(i) substituted (26.8.2004) by [The Gas \(Third Party Access\) Regulations 2004 \(S.I. 2004/2043\)](#), reg. 1, [Sch. 2 para. 4\(o\)\(ii\)](#)
- F221** Words in s. 19D(12)(a)(iii) substituted (26.8.2004) by virtue of [The Gas \(Third Party Access\) Regulations 2004 \(S.I. 2004/2043\)](#), reg. 1, [Sch. 2 para. 4\(p\)](#)
- F222** Words in s. 19D(12)(a)(iv) omitted (26.8.2004) by virtue of [The Gas \(Third Party Access\) Regulations 2004 \(S.I. 2004/2043\)](#), reg. 1, [Sch. 2 para. 4\(q\)](#)

[^{F223}19DZA] Duty to allow others to use LNG import or export facilities: exemptions in relation to take-or-pay commitments

- (1) The owner of an LNG import or export facility may apply to the Authority for an exemption under this section with respect to the facility if the owner—
 - (a) receives an application under section 19D(4) with respect to the facility; and
 - (b) considers that allowing the application would cause the owner serious financial difficulties because of take-or-pay commitments of the owner under one or more gas-purchase contracts.
- (2) The owner of an LNG import or export facility must apply to the Authority for an exemption under this section with respect to the facility if—
 - (a) the owner refuses an application under section 19D(4) with respect to the facility; and
 - (b) the reason, or one of the reasons, given under section 19D(7) for the refusal is the consideration mentioned in subsection (1)(b).
- (3) An application made by virtue of subsection (2) must be made before the end of the 7 days beginning with the day of the refusal.
- (4) An application for an exemption under this section must enclose all relevant information, including in particular information in respect of—
 - (a) the nature and extent of the difficulties mentioned in subsection (1)(b) which the owner considers would arise (the “difficulties”);
 - (b) any steps taken by the owner to prevent the difficulties from arising; and
 - (c) the period over which the owner considers the difficulties would arise.
- (5) The Authority may give an exemption under this section if it considers that—
 - (a) having regard to any steps taken by the owner to prevent the difficulties from arising, the only reasonably available means of prevention is an exemption under this section; and
 - (b) an exemption ought to be given, having regard to—
 - (i) the objective of achieving a competitive gas market;
 - (ii) the need for the owner to comply with any relevant public service obligation, within the meaning of paragraph (2) of Article 3 of the Gas Directive, which is imposed on the owner pursuant to that paragraph;
 - (iii) the need to ensure security of the supply of gas;
 - (iv) the position of the owner of the facility in the gas market and the level of competition in the market;
 - (v) the level of seriousness of the difficulties;
 - (vi) the time when the gas-purchase contract was entered into, and the extent to which the owner could reasonably have foreseen at that time that the difficulties were likely to arise;

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- (vii) the terms of the gas-purchase contract, including the extent to which the contract allows for market changes;
 - (viii) the significance of the facility to the gas market; and
 - (ix) the overall effect of the exemption on the operation of an economically efficient gas market.
- (6) An exemption under this section must be given for a limited period and in writing and must specify—
- (a) the period of the exemption; and
 - (b) any conditions the Authority considers necessary in order to ensure that the owner takes all reasonably practicable steps to ensure that, by the time the exemption expires, the difficulties would no longer arise.
- (7) If the Authority has given an exemption under this section it must send to the European Commission as soon as is reasonably practicable—
- (a) a copy of its decision to give the exemption, including the terms on which the exemption was given; and
 - (b) any other information the Authority considers relevant to the exemption or to the terms on which the exemption was given.
- (8) An exemption under this section may be modified or revoked by the Authority—
- (a) in accordance with its provisions;
 - (b) at any other time, if the Authority considers that an exemption under this section is no longer required.
- (9) The Authority must modify or revoke an exemption given under this section if required to do so by the European Commission in accordance with Article 48(2) of the Gas Directive.
- (10) In this section “take-or-pay commitment” and “gas-purchase contract” have the same meanings as in Article 48(1) of the Gas Directive.]

Textual Amendments

F223 S. 19DZA inserted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), 14

^{F224}19DA Provision of information

Textual Amendments

F224 S. 19DA omitted (10.11.2011) by virtue of [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), 7(3)

^{F225}19DB Allocation of capacity in exempt new and modified facilities

- (1) This section applies in relation to an application for an exemption—
- (a) under section 19A(2), in respect of all or part of the capacity of a storage facility; or

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- (b) under section 19C(2), in respect of all or part of the capacity of an LNG import or export facility.
- (2) The application must specify the criteria that will be used to determine—
- (a) who is to be granted rights to use the facility, or the part of the capacity of the facility, to which the application relates (the “exempt infrastructure”); and
 - (b) the way in which those rights may be exercised,

(the “capacity allocation mechanism”).

- (3) The Authority must not give an exemption under section 19A or 19C in response to the application unless it has—
- (a) approved the capacity allocation mechanism specified in the application; or
 - (b) approved the mechanism on condition that certain modifications are made to it.
- (4) The Authority may only approve the capacity allocation mechanism under subsection (3)(a) if it considers that the mechanism meets the following three conditions.
- (5) The first condition is that before a right to use the exempt infrastructure is granted to the owner of the facility or to any other person—
- (a) the intention to grant a right to use the exempt infrastructure must be published in a way that the Authority considers appropriate for the purpose of bringing it to the attention of persons likely to be interested in using the infrastructure; and
 - (b) such persons must be able to register an interest in using the exempt infrastructure.
- (6) The second condition is that the mechanism must require that any unused capacity in the exempt infrastructure be made available to other users or potential users.
- (7) The third condition is that the mechanism must not prevent, and must not be capable of being used to prevent, subsequent trading of rights to use the exempt infrastructure.
- (8) The Authority may only approve the capacity allocation mechanism under subsection (3)(b) if it considers that the mechanism will meet those three conditions once the modifications on which the approval is conditional have been made.]

Textual Amendments

F225 S. 19DB inserted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), 15

[^{F226}19E Sections 19A to 19D: supplemental.

- (1) In [^{F227}sections 19A to [^{F228}19D]] and this section—
- “accounting information” means such accounting records as would be required by [^{F229}section 386 of the Companies Act 2006] in respect of each of the storage or (as the case may be) treatment activities undertaken by the owner of the facility

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if those activities were the only business undertaken by the owner and the owner were a person to whom that section applied;

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“significant transaction” means—

- (a) any transaction which relates to rights to have [^{F232}gas or liquid gas stored in a storage facility], or (as the case may be) [^{F233}treated in an LNG import or export facility]; and
- (b) any other transaction which is of a description specified from time to time by the Director by notice;

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(2) For the purpose of considering an application under section 19B(8) or 19D(8), the Director may by notice require the owner of the relevant facility to provide him with accounting information and details of the main commercial terms of any significant transactions with associated undertakings.

(3) Owners of relevant facilities shall keep their internal accounts in such manner as will enable them to provide accounting information if required to do so by a notice under subsection (2).

^{F234}(4)

(5) Any reference in section 19B to a right to have gas or gas of [^{F235}any kind, or liquid gas or liquid gas of any kind,] stored in a storage facility includes a reference to a right to introduce into, or take out of, such a facility gas or gas of [^{F236}that kind, or liquid gas or liquid gas of that kind,].

^{F237}(6)]

Textual Amendments

- F226** Ss. 19A-19E inserted (10.8.2000) by S.I. 2000/1937, reg. 2(2), **Sch. 2 para. 1**
- F227** Words in s. 19E(1) substituted (26.8.2004) by The Gas (Third Party Access) Regulations 2004 (S.I. 2004/2043), reg. 1, **Sch. 2 para. 6(a)**
- F228** Word in s. 19E(1) substituted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **7(4)**
- F229** Words in s. 19E(1) substituted (6.4.2008) by The Companies Act 2006 (Consequential Amendments etc) Order 2008 (S.I. 2008/948), art. 2(2), **Sch. 1 para. 98** (with arts. 6, 11, 12)
- F230** Words in s. 19E(1) omitted (26.8.2004) by virtue of The Gas (Third Party Access) Regulations 2004 (S.I. 2004/2043), reg. 1, **Sch. 2 para. 6(b)**
- F231** Words in s. 19E omitted (10.11.2011) by virtue of The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **46(a)**
- F232** Words in s. 19E(1) substituted (26.8.2004) by The Gas (Third Party Access) Regulations 2004 (S.I. 2004/2043), reg. 1, **Sch. 2 para. 6(h)(i)**
- F233** Words in s. 19E substituted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **46(b)**

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- F234** S. 19E(4) omitted (10.11.2011) by virtue of [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), reg. 1(1), **46(c)**
- F235** Words in s. 19E(5) substituted (26.8.2004) by [The Gas \(Third Party Access\) Regulations 2004 \(S.I. 2004/2043\)](#), reg. 1, **Sch. 2 para. 6(l)(i)**
- F236** Words in s. 19E(5) inserted (26.8.2004) by [The Gas \(Third Party Access\) Regulations 2004 \(S.I. 2004/2043\)](#), reg. 1, **Sch. 2 para. 6(l)(ii)**
- F237** S. 19E(6) ceased to have effect (26.8.2004) by virtue of [The Gas \(Third Party Access\) Regulations 2004 \(S.I. 2004/2043\)](#), reg. 1, **Sch. 2 para. 6(m)**

F238 20

Textual Amendments

- F238** S. 20 repealed (1.3.1996) by [1995 c. 45, ss. 10\(1\), 17\(5\)](#), Sch. 3 para. 17, **Sch. 6**; [S.I. 1996/218](#), **art. 2**

21 Increase of capacity etc. of pipelines.

[^{F239}(1) If in the case of a pipe-line system operated by a [^{F240}gas transporter] it appears to the Director, on the application of a person other than the transporter, that the system can and should be modified—

- (a) by installing in it a junction through which another pipe-line may be connected to the system; or
- (b) by modifying apparatus and works associated with a high pressure pipe-line so as to increase the capacity of the pipe-line,

then, subject to subsection (3) below, the Director may, after giving to the transporter an opportunity of being heard about the matter and giving to the Health and Safety Executive notice of his proposed directions, give directions to the transporter in accordance with subsection (2) below in consequence of the application.]

(2) Directions under subsection (1) above may—

- (a) specify the modifications which the Director considers should be made in consequence of the application;
- (b) specify the sums or the method of determining the sums which the Director considers should be paid to the [^{F240}gas transporter] by the applicant [^{F241}by way of consideration for] the modifications;
- (c) specify the arrangements which the Director considers should be made by the applicant, within a period specified in that behalf in the directions, for the purpose of securing that those sums will be paid to [^{F242}the transporter] if he carries out the modifications;
- (d) require [^{F242}the transporter], if the applicant makes those arrangements within the period aforesaid, to carry out the modifications within a period specified in that behalf in the directions.

(3) Where the Director proposes to give directions under subsection (1) above, it shall be his duty before doing so to give to the applicant—

- (a) particulars of the modifications which he proposes to specify in the directions; and
- (b) an opportunity of making an application under subsection (1) of section 19 above in respect of the [^{F243}pipe-line system];

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and that section shall have effect in relation to such an application made by virtue of this subsection as if for references to a [^{F243}pipe-line system] there were substituted references to the [^{F243}pipe-line system] as it would be with those modifications and the reference in subsection (2) to the Director deciding whether the application is to be adjourned were omitted.

[^{F244}(3A) In giving any directions under this section, the Director shall apply the principle that, in so far as the following, namely—

- (a) the cost of carrying out the modifications; and
- (b) a reasonable element of profit,

will not be recoverable by the [^{F240}gas transporter] from elsewhere, the transporter should be entitled to receive them by way of consideration for carrying out the modifications.]

- (4) References in this section to modifications include, in the case of modifications to any apparatus and works, references to changes in, substitutions for and additions to the apparatus and works; and the reference in subsection (1) above to apparatus and works associated with a pipe-line shall be construed in accordance with section 65(2) of the ^{M6}Pipe-lines Act 1962.

[^{F245}(5) In this section—

“high pressure pipe-line” means any pipe-line which has a design operating pressure exceeding 7 bar gauge;

“pipe-line” has the same meaning as in the ^{M7}Pipe-lines Act 1962.]

Textual Amendments

- F239** S. 21(1) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 18(1)**; S.I. 1996/218, **art. 2**
- F240** Words in s. 21 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, **arts. 1(2), 2, Sch.** (subject to transitional provisions in **arts. 3-20**)
- F241** Words in s. 21(2) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 18(2)(b)**; S.I. 1996/218, **art. 2**
- F242** Words in s. 21(2) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 18(2)(c)**; S.I. 1996/218, **art. 2**
- F243** Words in s. 21(3) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 18(3)**; S.I. 1996/218, **art. 2**
- F244** S. 21(3A) inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 18(4)**; S.I. 1996/218, **art. 2**
- F245** S. 21(5) inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 18(5)**; S.I. 1996/218, **art. 2**

Marginal Citations

- M6** 1962 c. 58.
- M7** 1962 c.58.

22 Effect of directions.

- (1) The obligation to comply with any directions under section [^{F246}section 19^{F247} ... or 21(1)] above (in this section referred to as “relevant directions”) [^{F248}is a duty] owed to any person who may be affected by a contravention of them.
- (2) Where a duty is owed by virtue of subsection (1) above to any person any breach of the duty which causes that person to sustain loss or damage shall be actionable at the suit or instance of that person.

Status: Point in time view as at 21/03/2012.

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- (3) In any proceedings brought against any person in pursuance of subsection (2) above, it shall be a defence for him to prove that he took all reasonable steps and exercised all due diligence to avoid contravening the relevant directions ^{F249}....
- (4) Without prejudice to any right which any person may have by virtue of subsection (2) above to bring civil proceedings in respect of any contravention or apprehended contravention of any relevant directions, compliance with any such directions shall be enforceable by civil proceedings by the Director for an injunction or interdict or for any other appropriate relief.

^{F250}(5)

Textual Amendments

- F246** Words in s. 22(1) substituted (10.8.2000) by S.I. 2000/1937, reg. 2(2), **Sch. 2 para. 2(a)**
- F247** Words in s. 22(1) omitted (10.11.2011) by virtue of [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **37(2)(a)(i)**
- F248** Words in s. 22(1) substituted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **37(2)(a)(ii)**
- F249** Words in s. 22(3) omitted (10.11.2011) by virtue of [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **37(2)(b)**
- F250** S. 22(5) omitted (10.11.2011) by virtue of [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **37(2)(c)**

Modifications etc. (not altering text)

- C41** S. 22 applied (with modifications) (1.3.1996) by 1995 c. 45, **s. 12(5)**; S.I. 1996/218, **art. 3**
S. 22 applied (10.8.2000) by 1995 c. 45, **s. 12(5)** (as substituted (10.8.2000) by S.I. 2000/1937, reg. 2(3), **Sch. 3 para. 4**)

[^{F251}22A Construction of pipe-lines.

- (1) [^{F252}A gas transporter shall not at any time execute within 23 metres from a pipe-line of another gas transporter (the “other transporter”)] any works for the construction of a pipe-line unless—
- (a) he has given the other transporter a notice stating that he intends to construct the pipe-line;
 - (b) he has consulted with that transporter as to exactly where ^{F253}... the proposed pipe-line is to be located, having regard to the location of other pipe-lines ^{F253}... ^{F254}...
 - (c) he has consulted with that transporter as to the manner in which—
 - (i) the safety of the pipe-line is to be secured; and
 - (ii) any escapes of gas (actual or suspected) from the pipe-line are to be dealt with [^{F255}; and.
 - (d) (subject to subsection (1C)) where the existing pipe-line is a relevant main of the other transporter, that transporter has consented in writing to the construction of the proposed pipe-line, either unconditionally or subject to conditions.]

[Subsection (1) does not apply if the proposed pipe-line is required to enable a gas ^{F256}(1A) transporter to comply with any duty imposed by section 10(2).

Status: Point in time view as at 21/03/2012.

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- (1B) Conditions imposed under subsection (1)(d) may relate to matters arising after the construction of the proposed pipe-line, including the use to be made of the pipe-line.
- (1C) If the other transporter—
- (a) refuses or fails to give consent under subsection (1)(d); or
 - (b) gives such consent subject to conditions,
- consent may instead be given in writing by the Authority where it considers it appropriate to do so.
- (1D) Consent under subsection (1C) may only be given unconditionally or, in a case falling within subsection (1C)(b), subject to the same conditions as were imposed by the other transporter.
- (1E) A condition imposed on a gas transporter under this section shall be enforceable by civil proceedings by the other transporter for an injunction or for interdict or for any other appropriate relief.]
- (2) A notice under subsection (1)(a) above shall—
- (a) specify the points between which the proposed pipe-line is to run and be accompanied by a map (drawn to an appropriate scale) on which is delineated the route which it is proposed to take;
 - (b) specify the length, diameter and operating pressure of the proposed pipe-line and the kind of gas which it is designed to convey; and
 - (c) contain such other particulars (if any) as may be prescribed.
- (3) In this section—
- “construction”, in relation to a pipe-line, includes placing;
 - “pipe-line” has the same meaning as in the Pipe-lines Act 1962.
 - [^{F257}“relevant main” has the meaning given by section 10(12).]
- (4) For the purposes of this section the execution of works in land for the purpose of determining whether or not it is suitable for the placing in it of a pipe-line and the carrying out of surveying operations for the purpose of settling the route of a proposed pipe-line shall be deemed not to constitute the execution of works for the construction of a pipe-line.]

Textual Amendments

- F251** S. 22A inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 20**; S.I. 1996/218, **art. 2**
- F252** Words in s. 22A(1) substituted (1.10.2001) by 2000 c. 27, **s. 78(2)(a)**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F253** Words in s. 22A(1)(b) repealed (1.10.2001) by 2000 c. 27, ss. 78(2)(b), 108, **Sch. 8**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F254** Word in s. 22A(1)(b) repealed (1.10.2001) by 2000 c. 27, s. 108, **Sch. 8**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F255** S. 22A(1)(d) and word “and” immediately preceding it inserted (1.10.2001) by 2000 c. 27, **s. 78(2)(c)**; S.I. 2001/3266, **art. 2, Sch.** (subject to transitional provisions in arts. 3-20)
- F256** S. 22A(1A)-(1E) inserted (1.10.2001) by 2000 c. 27, **s. 78(3)**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F257** Definition of “relevant main”

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in s. 22A(3) inserted (1.10.2001) by 2000 c. 27, s. 78(4); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

[^{F258} Modification of licences]

Textual Amendments

F258 S. 23 and preceding cross-heading substituted (1.3.1996) by 1995 c. 45, s. 10(1), Sch. 3 para. 21; S.I. 1996/218, art. 2

[^{F259}23 Modification of conditions of licences

- (1) The Authority may make modifications of—
 - (a) the conditions of a particular licence;
 - (b) the standard conditions of licences of any type under section 7, 7ZA, or 7A(1) or (2).
- (2) Before making any modifications under this section, the Authority must give notice—
 - (a) stating that it proposes to make modifications;
 - (b) setting out the proposed modifications and their effect;
 - (c) stating the reasons why it proposes to make the modifications; and
 - (d) specifying the time within which representations with respect to the proposed modifications may be made.
- (3) The time specified by virtue of subsection (2)(d) may not be less than 28 days from the date of the publication of the notice.
- (4) A notice under subsection (2) must be given—
 - (a) by publishing the notice in such manner as the Authority considers appropriate for the purpose of bringing the notice to the attention of persons likely to be affected by the making of the modifications, and
 - (b) by sending a copy of the notice to—
 - (i) each relevant licence holder,
 - (ii) the Secretary of State,
 - (iii) the Health and Safety Executive, and
 - (iv) the Council.
- (4A) The Authority must consider any representations which are duly made.]
- (5) If, within the time specified [^{F260}by virtue of subsection (2)(d)] , the Secretary of State directs the Director not to make any modification, the Director shall comply with the direction.
- [^{F261}(6) Subsections (7) to (9) apply where, having complied with subsections (2) to (4A), the Authority decides to proceed with the making of modifications of the conditions of any licence under this section.
- (7) The Authority must—
 - (a) publish the decision and the modifications in such manner as it considers appropriate for the purpose of bringing them to the attention of persons likely to be affected by the making of the modifications,

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- (b) state the effect of the modifications,
 - (c) state how it has taken account of any representations duly made, and
 - (d) state the reason for any differences between the modifications and those set out in the notice by virtue of subsection (2)(b).
- (8) Each modification has effect from the date specified by the Authority in relation to that modification (subject to the giving of a direction under paragraph 2 of Schedule 4A).
- (9) The date specified by virtue of subsection (8) may not be less than 56 days from the publication of the decision to proceed with the making of modifications under this section.
- (10) In this section “relevant licence holder”—
- (a) in relation to the modification of standard conditions of licences of any type, means the holder of a licence of that type—
 - (i) which is to be modified by the inclusion of any new standard condition, or
 - (ii) which includes any standard conditions to which the modifications relate which are in effect at the time specified by virtue of subsection (2)(d); or
 - (b) in relation to the modification of a condition of a particular licence (other than a standard condition), means the holder of that particular licence.]

Textual Amendments

- F259** S. 23(1)-(4A) and heading substituted for s. 23(1)-(4) and heading (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **41(3)** (with reg. 42)
- F260** Words in s. 23(5) substituted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **41(4)** (with reg. 42)
- F261** S. 23(6)-(10) substituted for s. 23(6)-(13) (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **41(5)** (with reg. 42)

[^{F262}23A Modification of conditions under section 23: supplementary

- (1) Subsections (2) and (3) apply where at any time the Authority modifies the conditions of licences of any type under section 23.
- (2) If the conditions modified are standard conditions, the Authority must—
 - (a) also make (as nearly as may be) the same modifications of those conditions for the purposes of their incorporation in licences of that type granted after that time, and
 - (b) publish the modifications in such manner as it considers appropriate for the purpose of bringing them to the attention of persons likely to be affected by the making of the modifications.
- (3) The Authority may make such incidental or consequential modifications of any conditions of licences of any type as it considers necessary or expedient.
- (4) The modification of part of a standard condition of a particular licence under section 23 does not prevent any other part of the condition from continuing to be regarded as a standard condition for the purposes of this Part.

Status: Point in time view as at 21/03/2012.

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- (5) The modification of a condition of a licence under this section has effect subject to the giving of a direction under paragraph 2 of Schedule 4A in relation to the decision to which the modification relates.]

Textual Amendments

F262 S. 23A inserted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **41(6)** (with reg. 42)

[F²⁶³ Appeal from decisions of the Authority

Textual Amendments

F263 Ss. 23B-23G and cross-heading inserted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **41(7)** (with reg. 42)

23B Appeal to the Competition Commission

- (1) An appeal lies to the Competition Commission (“the Commission”) against a decision by the Authority to proceed with the modification of a condition of a licence under section 23.
- (2) An appeal may be brought under this section only by—
- a relevant licence holder (within the meaning of section 23);
 - any other person who holds a licence of any type under section 7, 7ZA, or 7A(1) or (2) whose interests are materially affected by the decision;
 - a qualifying body or association in the capacity of representing a person falling within paragraph (a) or (b);
 - the Council in the capacity of representing consumers whose interests are materially affected by the decision.
- (3) The permission of the Commission is required for the bringing of an appeal under this section.
- (4) The Commission may refuse permission to bring an appeal only on one of the following grounds—
- in relation to an appeal brought by a person falling within subsection (2)(b), that the interests of the person are not materially affected by the decision;
 - in relation to an appeal brought by a qualifying body or association, that the interests of the person represented are not materially affected by the decision;
 - in relation to an appeal brought by the Council, that the interests of the consumers represented are not materially affected by the decision;
 - in relation to any appeal—
 - that the appeal is brought for reasons that are trivial or vexatious;
 - that the appeal has no reasonable prospect of success.
- (5) References in this section to a qualifying body or association are to a body or association whose functions are or include representing persons in respect of interests of theirs which are materially affected by the decision in question.

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23C Procedure on appeal to Commission

- (1) The functions of the Commission with respect to appeals under section 23B are not to be regarded as comprised in its general functions for the purposes of Part 2 of Schedule 7 to the Competition Act 1998 (manner in which general functions are to be carried out).
- (2) Instead, Schedule 4A to this Act has effect.

23D Determination by Commission of appeal

- (1) This section applies to every appeal brought under section 23B.
- (2) In determining an appeal the Commission must have regard, to the same extent as is required of the Authority, to the matters to which the Authority must have regard—
 - (a) in the carrying out of its principal objective under section 4AA;
 - (b) in the performance of its duties under that section; and
 - (c) in the performance of its duties under sections 4AB and 4A.
- (3) In determining the appeal the Commission—
 - (a) may have regard to any matter to which the Authority was not able to have regard in relation to the decision which is the subject of the appeal; but
 - (b) must not, in the exercise of that power, have regard to any matter to which the Authority would not have been entitled to have regard in reaching its decision had it had the opportunity of doing so.
- (4) The Commission may allow the appeal only to the extent that it is satisfied that the decision appealed against was wrong on one or more of the following grounds—
 - (a) that the Authority failed properly to have regard to any matter mentioned in subsection (2);
 - (b) that the Authority failed to give the appropriate weight to any matter mentioned in subsection (2);
 - (c) that the decision was based, wholly or partly, on an error of fact;
 - (d) that the modifications fail to achieve, in whole or in part, the effect stated by the Authority by virtue of section 23(7)(b);
 - (e) that the decision was wrong in law.
- (5) To the extent that the Commission does not allow the appeal, it must confirm the decision appealed against.

23E Commission's powers on allowing appeal

- (1) This section applies where the Commission allows an appeal to any extent.
- (2) If the appeal is in relation to a price control decision, the Commission must do one or more of the following—
 - (a) quash the decision (to the extent that the appeal is allowed);
 - (b) remit the matter back to the Authority for reconsideration and determination in accordance with any directions given by the Commission;
 - (c) substitute the Commission's decision for that of the Authority (to the extent that the appeal is allowed) and give any directions to the Authority or any other party to the appeal.

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- (3) If the appeal is in relation to any other decision, the Commission must do one or both of the following—
 - (a) quash the decision (to the extent that the appeal is allowed);
 - (b) remit the matter back to the Authority for reconsideration and determination in accordance with any directions given by the Commission.
- (4) A direction under subsection (2) or (3) must not require a person to do anything that the person would not have power to do (apart from the direction).
- (5) A person to whom a direction is given under that subsection must comply with it.
- (6) A direction given under that subsection to a person other than the Authority is enforceable as if it were an order of the High Court or (in Scotland) an order of the Court of Session.
- (7) For the purposes of this section a decision is a price control decision, in relation to the modification of a condition of a licence, if the purpose of the condition is, in the Commission's opinion, to limit or control the charges on, or the revenue of, the holder of the licence.
- (8) In determining for the purposes of subsection (7) what the purpose of a condition is the condition may be assessed on its own or in combination with any other conditions of the licence.
- (9) In this section and sections 23F and 23G any reference to a party to an appeal is to be read in accordance with Schedule 4A.

23F Time limits for Commission to determine an appeal

- (1) The Commission must—
 - (a) determine an appeal against a price control decision within the period of 6 months beginning with the permission date;
 - (b) determine an appeal against any other decision within the period of 4 months beginning with the permission date.
- (2) Subsection (1)(a) or (b) does not apply if subsection (3) applies.
- (3) This subsection applies where—
 - (a) the Commission has received representations on the timing of the determination from a party to the appeal; and
 - (b) it is satisfied that there are special reasons why the determination cannot be made within the period specified in subsection (1)(a) or (b).
- (4) Where subsection (3) applies, the Commission must—
 - (a) determine an appeal against a price control decision within the period specified by it, not being longer than the period of 7 months beginning with the permission date;
 - (b) determine an appeal against any other decision within the period specified by it, not being longer than the period of 5 months beginning with the permission date.
- (5) Where subsection (3) applies, the Commission must also—
 - (a) inform the parties to the appeal of the time limit for determining the appeal, and

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- (b) publish that time limit in such manner as it considers appropriate for the purpose of bringing it to the attention of any other persons likely to be affected by the determination.
- (6) In this section “price control decision” is to be read in accordance with section 23E.
- (7) References in this section to the permission date are to the date on which the Commission gave permission to bring the appeal in accordance with section 23B(3).

23G Determination of appeal by Commission: supplementary

- (1) A determination by the Commission on an appeal—
 - (a) must be contained in an order made by the Commission;
 - (b) must set out the reasons for the determination;
 - (c) takes effect at the time specified in the order or determined in accordance with provision made in the order;
 - (d) must be notified by the Commission to the parties to the appeal;
 - (e) must be published by the Commission—
 - (i) as soon as reasonably practicable after the determination is made;
 - (ii) in such manner as the Commission considers appropriate for the purpose of bringing the determination to the attention of any person likely to be affected by it (other than a party to the appeal).
- (2) The Commission may exclude from publication under subsection (1)(e) any information which it is satisfied is—
 - (a) commercial information, the disclosure of which would, or might in the Commission’s opinion, significantly harm the legitimate business interests of an undertaking to which it relates; or
 - (b) information relating to the private affairs of an individual, the disclosure of which would, or might in the Commission’s opinion, significantly harm the individual’s interests.
- (3) The Authority must take such steps as it considers requisite for it to comply with an order of the Commission made by virtue of subsection (1)(a).
- (4) The steps must be taken—
 - (a) if a time is specified in (or is to be determined in accordance with) the order, within that time;
 - (b) in any other case, within a reasonable time.
- (5) Subsections (2) to (4) of section 23A apply where a condition of a licence is modified in accordance with section 23E as they apply where a condition of a licence is modified under section 23.]

^{F264}24 Modification references to Monopolies Commission.

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Textual Amendments

F264 Ss. 24-26A omitted (10.11.2011) by virtue of [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **41(9)** (with reg. 42)

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^{F264}**24A References under section 24: time limits**

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Textual Amendments

F264 Ss. 24-26A omitted (10.11.2011) by virtue of [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **41(9)** (with reg. 42)

^{F264}**24B References under section 24: powers of investigation**

.....

Textual Amendments

F264 Ss. 24-26A omitted (10.11.2011) by virtue of [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **41(9)** (with reg. 42)

^{F264}**25 Reports on modification references.**

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Textual Amendments

F264 Ss. 24-26A omitted (10.11.2011) by virtue of [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **41(9)** (with reg. 42)

^{F264}**26 Modification following report.**

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Textual Amendments

F264 Ss. 24-26A omitted (10.11.2011) by virtue of [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **41(9)** (with reg. 42)

^{F264}**26A Competition Commission's power to veto modifications following report.**

.....

Textual Amendments

F264 Ss. 24-26A omitted (10.11.2011) by virtue of [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **41(9)** (with reg. 42)

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[^{F265}27 Modification by order under other enactments.

^{F266}(1) Where the Office of Fair Trading, the Competition Commission or (as the case may be) the Secretary of State (in this section “the relevant authority”) makes a relevant order, the order may also provide for the modification of—

- (a) the conditions of a particular licence; or
- (b) the standard conditions of licences under section 7 above^{[^{F267}}, licences under section 7ZA above], licences under subsection (1) of section 7A above or licences under subsection (2) of that section,

to such extent as may appear to the relevant authority to be requisite or expedient for the purpose of giving effect to, or taking account of, any provision made by the order.

(1ZA) In subsection (1) above “relevant order” means—

- (a)^{F268} an order under section 75, 83 or 84 of, or paragraph 5, 10 or 11 of Schedule 7 to, the Enterprise Act 2002 where—
 - (i) one or more than one of the enterprises which have, or may have, ceased to be distinct enterprises was engaged in the carrying on of activities authorised or regulated by a licence; or
 - (ii) one or more than one of the enterprises which will or may cease to be distinct enterprises is engaged in the carrying on of activities authorised or regulated by a licence; or
- (b) an order under section 160 or 161 of that Act where the feature, or combination of features, of the market in the United Kingdom for goods or services which prevents, restricts or distorts competition relates to—
 - (i) activities authorised or regulated by a licence; or
 - (ii) the storage of gas on terms which have been determined by the holder of a licence under section 7 above, or could have been determined by the holder if he had thought fit or had been required to determine them by or under a condition of the licence.]

^{F269}(1A) [The modification under subsection (1)(a) of part of a standard condition of a particular licence in consequence of a reference under section 24(1) shall not prevent any other part of the condition from continuing to be regarded as a standard condition for the purposes of this Part.]

(2) Where at any time the [^{F270}relevant authority] modifies under subsection (1)(b) above the standard conditions of licences under section 7 above^{[^{F271}}, licences under section 7ZA above], licences under subsection (1) of section 7A above or licences under subsection (2) of that [^{F272}section, the relevant authority] —

- (a) shall also make (as nearly as may be) the same modifications of those conditions for the purposes of their incorporation in licences under that section or, as the case may be, that subsection granted after that time; and
- (b) may, after consultation with the Director, make such incidental or consequential modifications [^{F273}as the relevant authority considers] necessary or expedient of any conditions of licences under that provision granted before that time.

^{F274}(3)

^{F274}(4)

(5) Where at any time the [^{F275}relevant authority] modifies standard conditions under subsection (2)(a) above for the purposes of their incorporation in licences granted after

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that time, [^{F276}the relevant authority] shall publish those modifications in such manner as [^{F276}the relevant authority] considers appropriate.

[^{F277}(6) Expressions used in subsection (1ZA) above and in Part 3 or (as the case may be) Part 4 of the Enterprise Act 2002 have the same meanings in that subsection as in that Part.]

Textual Amendments

- F265** S. 27 substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 25**; S.I. 1996/218, **art. 2**
- F266** S. 27(1)(1ZA) substituted for s. 27(1) (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, **Sch. 9 para. 4(2)**; S.I. 2003/1397, **art. 2(1), Sch.**
- F267** Words in s. 27(1)(b) inserted (1.12.2004) by Energy Act 2004 (c. 20), **ss. 150(8), 198(2)**; S.I. 2004/2575, **art. 2(2), Sch. 2**
- F268** S. 27(1ZA)(a) amended (20.6.2003) by The Enterprise Act 2002 (Protection of Legitimate Interests) Order 2003 (S.I. 2003/1592), **art. 1(1), Sch. 4 para. 6**
- F269** S. 27(1A) inserted (1.10.2001) by 2000 c. 27, **s. 83(5)**; S.I. 2001/3266, **arts. 1(2), 2, Sch.** (subject to transitional provisions in **arts. 3-20**)
- F270** Words in s. 27(2) substituted (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, **Sch. 9 para. 4(3)(a)**; S.I. 2003/1397, **art. 2(1), Sch.**
- F271** Words in s. 27(2) inserted (1.12.2004) by Energy Act 2004 (c. 20), **ss. 150(8), 198(2)**; S.I. 2004/2575, **art. 2(2), Sch. 2**
- F272** Words in s. 27(2) substituted (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, **Sch. 9 para. 4(3)(b)**; S.I. 2003/1397, **art. 2(1), Sch.**
- F273** Words in s. 27(2) substituted (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, **Sch. 9 para. 4(3)(c)**; S.I. 2003/1397, **art. 2(1), Sch.**
- F274** S. 27(3)(4) repealed (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, **Sch. 9 para. 4(4), Sch. 26**; S.I. 2003/1397, **art. 2(1), Sch.**
- F275** Words in s. 27(5) substituted (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, **Sch. 9 para. 4(5)(a)**; S.I. 2003/1397, **art. 2(1), Sch.**
- F276** Words in s. 27(5) substituted (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, **Sch. 9 para. 4(5)(b)**; S.I. 2003/1397, **art. 2(1), Sch.**
- F277** S. 27(6) substituted (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, **Sch. 9 para. 4(6)**; S.I. 2003/1397, **art. 2(1), Sch.**

[^{F278} Determination of disputes]

Textual Amendments

- F278** S. 27A and the preceding cross-heading inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 26**; S.I. 1996/218, **art. 2**

27A [^{F279} Determination of certain disputes.]

- (1) Subject to subsection (2) below, any dispute arising under section 9(1)(b) or (2), 10 or 11 above, regulations under section 10 above, or any provision of paragraphs 2, 3, 15 or 16 of Schedule 2B to this Act, between a [^{F280}gas transporter] or gas supplier and a person who is, or wishes to become, a [^{F281}customer of a person authorised by a licence or exemption to supply gas]—
- (a) may be referred to the Director by either party, or with the agreement of either party, by the Council; and

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- (b) on such a reference, shall be determined by order made either by the Director, or if he thinks fit by an arbitrator (or in Scotland arbiter) appointed by him.
- (2) No dispute which—
- (a) arises under section 9(1)(b) above and relates to the connection of any premises to a pipe-line system operated by a [^{F280}gas transporter]; or
- (b) arises under section 10 above, or regulations under that section, and relates to the connection of any premises to a main of such a transporter,
- may be referred to the Director after the end of the period of 12 months beginning with the time when the connection is made.
- (3) Any person making an order under subsection (1) above shall include in the order his reasons for reaching his decision with respect to the dispute.
- (4) The practice and procedure to be followed in connection with any such determination shall be such as the Director may consider appropriate.
- (5) Where any dispute between a [^{F280}gas transporter] and a person requiring a connection to a main of the transporter falls to be determined under this section, the Director may give directions as to the circumstances in which, and the terms on which, the transporter is to connect or (as the case may be) to maintain the connection pending the determination of the dispute.
- (6) Where any dispute between a gas supplier and a person requiring a supply of gas falls to be determined under this section, the Director may give directions as to the circumstances in which, and the terms on which, the supplier is to give or (as the case may be) to continue to give the supply pending the determination of the dispute.
- (7) Where any dispute arising under section 11(1) above falls to be determined under this section, the Director may give directions as to the security (if any) to be given pending the determination of the dispute.
- (8) Any direction under subsection (5), (6) or (7) above may be expressed to apply either in relation to a particular case or in relation to a class of case.
- (9) An order under this section—
- (a) may include such incidental, supplemental and consequential provision (including provision requiring either party to pay a sum in respect of the costs or expenses incurred by the person making the order) as that person considers appropriate; and
- (b) shall be final and—
- (i) in England and Wales, enforceable, in so far as it includes such provision as to costs or expenses, as if it were a judgment of a county court; and
- (ii) in Scotland, enforceable as if it were an extract registered decree arbitral bearing a warrant for execution issued by the sheriff.
- (10) In including in an order under this section any such provision as to costs or expenses, the person making the order shall have regard to the conduct and means of the parties and any other relevant circumstances.

Textual Amendments

F279 S. 27A inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 26**; S.I. 1996/218, **art. 2**

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F280 Words in s. 27A substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)

F281 Words in s. 27A(1) substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6, Pt. I para. 10**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)

^{F282} ^{F283} Article 41] Disputes

Textual Amendments

F282 Ss. 27B-27D and cross-heading inserted (29.6.2009) by [The Gas and Electricity \(Dispute Resolution\) Regulations 2009 \(S.I. 2009/1349\)](#), regs. 1(1), 2

F283 Words in s. 27B and cross-heading substituted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **28(2)**

27B Meaning of “^{F283} Article 41] dispute”

- ^{F284}(1) For the purposes of sections 27C and 27D, a dispute is an “Article 41 dispute” if—
- (a) it arises from a written complaint—
 - (i) made against a gas transporter,
 - (ii) made against the holder of a licence under section 7ZA,
 - (iii) made against the owner of an LNG import or export facility,
 - (iv) made against the owner of a storage facility,
 - (v) made against a person carrying out an activity described in section 5(1)(a) or (aa) who has been granted an exemption under section 6A(1), or
 - (vi) made by a person falling within paragraph (a) of subsection (1B) against a person falling within paragraph (b) of that subsection;
 - (b) it is wholly or mainly a dispute regarding an obligation of the person complained against under any relevant condition or relevant requirement in relation to that person imposed for the purpose of implementing the Gas Directive; and
 - (c) it is a dispute between the complainant and the person complained against.
- (1A) Until section 75 of the Utilities Act 2000 comes into force the reference in subsection (1)(a)(v) above to a person who has been granted an exemption under section 6A(1) includes a person to whom one or more of the exceptions to section 5(1) contained in Schedule 2A applies.
- (1B) For the purposes of subsection (1)(a)(vi)—
- (a) a person falls within this paragraph if the person is certified on the ground mentioned in section 8G(5) in respect of a pipe-line system or gas interconnector;
 - (b) a person falls within this paragraph if the person is designated under section 8J(3) in respect of the pipe-line system or gas interconnector mentioned in paragraph (a).]
- (2) The reference in subsection ^{F285}(1)(a)] to a complaint does not include a reference to—
- (a) a complaint about a modification (or a failure to make a modification) of—
 - (i) a term or condition of a relevant licence held by the person complained against, or

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- (ii) an obligation or right contained in any code or other document and having effect by virtue of such a term or condition; or
 - (b) a complaint made by a person as a household customer or potential household customer.
- (3) In this section and section 27C—
- F286 ...
[^{F287}“household customer” means a customer who purchases gas for consumption by the customer’s own household;]
- F286 ...
F286 ...
- “relevant licence” means a licence under section 7(2) or 7ZA.

Textual Amendments

- F284** Ss. 27B(1)-(1B) substituted for s. 27B(1) (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **28(3)(a)**
- F285** Word in s. 27B(2) substituted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **28(3)(b)**
- F286** Words in s. 27B(3) omitted (10.11.2011) by virtue of [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **28(3)(c)(i)**
- F287** Words in s. 27B(3) substituted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **28(3)(c)(ii)**

27C Determination of disputes

- (1) An [^{F288}Article 41] dispute (other than one which may be referred to the Authority under or by virtue of any other provision of this Act) may be referred to the Authority under this section by the person who is the complainant in relation to the dispute.
- (2) An [^{F289}Article 41] dispute referred to the Authority under this section shall be determined by order made either by the Authority or, if the Authority thinks fit, by an arbitrator (or in Scotland an arbiter) appointed by the Authority.
- (3) The practice and procedure to be followed in connection with an [^{F290}Article 41] dispute referred to the Authority under this section shall be such as the Authority may consider appropriate.
- (4) An order under this section—
 - (a) may include such incidental, supplemental and consequential provision as the person making the order considers appropriate; and
 - (b) shall be final.
- (5) The provision that may be included in an order under this section by virtue of subsection (4)(a) above includes provision requiring either party to pay a sum in respect of the costs or expenses incurred by the person making the order (“costs provision”).
- (6) In including costs provision in an order under this section, the person making the order shall have regard to the conduct and means of the parties and any other relevant circumstances.
- (7) Costs provision included in an order under this section shall be enforceable—

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- (a) in England and Wales, as if it were a judgment of the county court;
 - (b) in Scotland, as if it were an extract registered decree arbitral bearing a warrant for execution issued by the sheriff.
- [^{F291}(8) Sections 28 to 30F and 38 have effect in relation to a person against whom a complaint is made as mentioned in section 27B(1)(a), and on whom a duty or other requirement is imposed by an order under this section—
- (a) as if references in those sections to a relevant requirement (other than the reference in section 28(8)) included references to that duty or requirement; and
 - (b) if the complaint is made against the person as mentioned in sub-paragraph (vi) of section 27B(1)(a), also as if references in those sections to a regulated person included references to that person.]

^{F292}(9)

Textual Amendments

- F288** Words in s. 27C(1) substituted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **28(4)(a)**
- F289** Words in s. 27C(2) substituted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **28(4)(a)**
- F290** Words in s. 27C(3) substituted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **28(4)(a)**
- F291** S. 27C(8) substituted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **28(4)(b)**
- F292** S. 27C(9) omitted (10.11.2011) by virtue of [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **28(4)(c)**

27D Time limit for determinations

- (1) An order determining an [^{F293}Article 41] dispute (whether made under section 27C or made under or by virtue of any other provision of this Act) shall be made within the permitted period.
- (2) Subject to subsection (3), the permitted period is the period of two months beginning with the day on which the dispute is referred to the Authority.
- (3) Where the person determining the dispute requests further information from anyone for the purposes of determining the dispute, the person may, by giving notice to the parties, extend the permitted period—
 - (a) by two months, or
 - (b) with the agreement of the complainant, by a longer period.
- (4) If a person refers a dispute to the Authority, or purports to do so, and the Authority gives to that person a notice—
 - (a) specifying information which it requires in order to assess whether the dispute is an [^{F294}Article 41] dispute, or whether there is a dispute at all, and
 - (b) requesting the person to provide that information,
 the dispute shall be treated for the purposes of subsection (2) as not referred to the Authority until the information is provided.]

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Textual Amendments

- F293** Words in s. 27D(1) substituted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **28(5)**
- F294** Words in s. 27D(4)(a) substituted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **28(5)**

[^{F295}Enforcement of obligations of regulated persons]

Textual Amendments

- F295** S. 28 cross-heading substituted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **37(3)**

28 Orders for securing compliance with certain provisions.

- (1) Subject to subsections (2)[^{F296}, (5) and (5A)] and section 29 below, where the Director is satisfied that a [^{F297}regulated person] is contravening, or [^{F298}is likely] to contravene, any relevant condition or requirement, the Director shall by a final order make such provision as is requisite for the purpose of securing compliance with that condition or requirement.
- (2) Subject to [^{F299}subsections (5) and (5A)] below, where it appears to the Director—
 - (a) that a [^{F297}regulated person] is contravening, or [^{F298}is likely] to contravene, any relevant condition or requirement; and
 - (b) that it is requisite that a provisional order be made,the Director shall (instead of taking steps towards the making of a final order) by a provisional order make such provision as appears to him requisite for the purpose of securing compliance with that condition or requirement.
- (3) In determining for the purposes of subsection (2)(b) above whether it is requisite that a provisional order be made, the Director shall have regard, in particular—
 - (a) to the extent to which any person is likely to sustain loss or damage in consequence anything which, in contravention of the relevant condition or requirement, is likely to be done, or omitted to be done, before a final order may be made; and
 - (b) to the fact that the effect of the provisions of this section and section 30 below is to exclude the availability of any remedy (apart from under those provisions or for negligence) in respect of any contravention of a relevant condition or requirement.
- (4) Subject to [^{F299}subsections (5) and (5A)] and section 29 below, the Director shall confirm a provisional order, with or without modifications, if—
 - (a) he is satisfied that the [^{F297}regulated person] is contravening, or [^{F298}is likely] to contravene, any relevant condition or requirement; and
 - (b) the provision made by the order (with any modifications) is requisite for the purpose of securing compliance with that condition or requirement.
- (5) The Director shall not make a final order or make or confirm a provisional order if he is satisfied—

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(a) that the duties imposed on him by [F300 section [F301 4AA, 4AB or 4A] preclude the making or, as the case may be, the confirmation of the order

F302(aa)

F302(b)

[that the most appropriate way of proceeding is under the Competition Act F303(c) 1998.]

[The Authority is not required to make a final order or make or confirm a provisional F304(5A) order if it is satisfied—

(a) that the [F297 regulated person] has agreed to take and is taking all such steps as it appears to the Authority for the time being to be appropriate for the [F297 regulated person] to take for the purpose of securing or facilitating compliance with the condition or requirement in question; or

(b) that the contraventions were or the apprehended contraventions are of a trivial nature.]

(6) Where the Director is satisfied as mentioned in [F299 subsections (5) [F305 or] (5A)] above, he shall—

(a) give notice that he is so satisfied to the [F297 regulated person] ; and

(b) publish a copy of the notice in such manner as the Director considers appropriate for the purpose of bringing the matters to which the notice relates to the attention of persons likely to be affected by them.

(7) A final or provisional order—

(a) shall require the [F297 regulated person] (according to the circumstances of the case) to do, or not to do, such things as are specified in the order or are of a description so specified;

(b) shall take effect at such time, being the earliest practicable time, as is determined by or under the order; and

(c) may be revoked at any time by the Director.

F306(7A)

(8) In this section and sections 29 [F307 to 30F] below—

“final order” means an order under this section other than a provisional order;

“provisional order” means an order under this section which, if not previously confirmed under subsection (4) above, will cease to have effect at the end of such period (not exceeding three months) as is determined by or under the order;

[F308“regulated person” means a person who is one or more of the following—

(a) a licence holder;

(b) a distribution exemption holder;

(c) a supply exemption holder;

(d) the owner of a storage facility;

(e) the owner of an LNG import or export facility;

(f) a gas undertaking which is a relevant producer or supplier;]

“relevant condition”, in relation to a [F297 regulated person] , means any condition of [F309 any licence held by that person] ;

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[^{F310cc}“relevant requirement”, in relation to a [^{F297}regulated person] , means any requirement imposed on [^{F311}that person under a provision specified in Schedule 4B as a relevant provision in respect of that person]

^{F312}(9)]]

Textual Amendments

- F296** Words in s. 28(1) substituted (1.10.2001) by 2000 c. 27, s. 96(2) (with s. 96(7)) (with s. 96(7)); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F297** Words in s. 28 substituted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), 37(4)(a)
- F298** Words in s. 28(1)(2)(4)(a) substituted (1.7.1992) by Competition and Service (Utilities) Act 1992 (c. 43), s. 48(2); Commencement Order No. 1 made on 29.5.1992, art. 3, Sch. Pt. I.
- F299** Words in s. 28(2)(4)(6) substituted (1.10.2001) by 2000 c. 27, s. 96(3) (with s. 96(7)); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F300** Words in s. 28(5) substituted (1.3.1996) by 1995 c. 45, s. 10(1), Sch. 3 para. 27(2)(a); S.I. 1996/218, art. 2
- F301** Words in s. 28(5)(a) substituted (20.12.2000) by 2000 c. 27, s. 108, Sch. 6 Pt. I para. 11; S.I. 2000/3343, art. 2, Sch. (subject to transitional provisions in arts. 3-15)
- F302** S. 28(5)(aa)(b) repealed (1.10.2001) by 2000 c. 27, ss. 96(4), 108, Sch. 8 (with s. 96(7)); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F303** S. 28(5)(c) inserted (1.3.2000) by 1998 c. 41, ss. 66(5), 74(3), Sch. 10 Pt. IV para. 10(5) (with s. 73); S.I. 2000/344, art. 2 Sch.
- F304** S. 28(5A) inserted (1.10.2001) by 2000 c. 27, s. 96(5) (with s. 96(7)); S.I. 2001/3266, art. 2, Sch. (subject to transitional provisions in arts. 3-20)
- F305** Word in s. 28(6) substituted (1.10.2008) by Consumers, Estate Agents and Redress Act 2007 (c. 17), s. 66(2), Sch. 7 para. 6; S.I. 2008/2550, art. 2, Sch.
- F306** S. 28(7A) repealed (1.10.2001) by 2000 c. 27, ss. 95(2)(a), 108, Sch. 8; S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F307** Words in s. 28(8) substituted (1.10.2001) by 2000 c. 27, s. 95(2)(b); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F308** Words in s. 28(8) inserted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), 37(5)(a)
- F309** Words in s. 28(8) substituted (10.11.2011) by virtue of The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), 37(5)(b)
- F310** Definition of “relevant requirement” in s. 28(8) substituted (1.3.1996) by 1995 c. 45, s. 10(1), Sch. 3 para. 27(5)(b); S.I. 1996/218, art. 2
- F311** Words in s. 28(8) substituted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), 37(5)(c)
- F312** S. 28(9) repealed (1.10.2001) by 2000 c. 27, ss. 95(2)(a), 108, Sch. 8; S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

Modifications etc. (not altering text)

- C42** Ss. 28-30F applied (with modifications) by 1995 c. 45, s. 12(5) (as substituted (21.3.2012) by Energy Act 2011 (c. 16), ss. 92(10), 121(1); S.I. 2012/873, art. 2(b)(ii))

29 Procedural requirements.

- (1) Before making a final order or confirming a provisional order, the Director shall give notice—
 - (a) stating that he proposes to make or confirm the order and setting out its effect;

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- (b) stating the relevant condition or requirement, the acts or omissions which, in his opinion, constitute or would constitute contraventions of it and the other facts which, in his opinion, justify the making or confirmation of the order; and
 - (c) specifying the time (not being less than [F31321] days from the date of publication of the notice) within which representations or objections to the proposed order or confirmation of the order may be made,
- and shall consider any representations or objections which are duly made and not withdrawn.
- (2) A notice under subsection (1) above shall be given—
 - (a) by publishing the notice in such manner as the Director considers appropriate for the purpose of bringing the matters to which the notice relates to the attention of persons likely to be affected by them; and
 - (b) by sending a copy of the notice, and a copy of the proposed order or of the order proposed to be confirmed, to the [F314regulated person] .
 - (3) The Director shall not make a final order, or confirm a provisional order, with modifications except with the consent of the [F314regulated person] or after complying with the requirements of subsection (4) below.
 - (4) The said requirements are that the Director shall—
 - (a) give to the [F314regulated person] such notice as appears to him requisite of his proposal to make or confirm the order with modifications;
 - (b) specify the time (not being less than [F31521] days from the date of the service of the notice) within which representations or objections to the proposed modifications may be made; and
 - (c) consider any representations or objections which are duly made and not withdrawn.
 - (5) Before revoking a final order or a provisional order which has been confirmed, the Director shall give notice—
 - (a) stating that he proposes to revoke the order and setting out its effect; and
 - (b) specifying the time (not being less than 28 days) from the date of publication of the notice within which representations or objections to the proposed revocation may be made,and shall consider any representations or objections which are duly made and not withdrawn.
 - (6) A notice under subsection (5) above shall be given—
 - (a) by publishing the notice in such manner as the Director considers appropriate for the purpose of bringing the matters to which the notice relates to the attention of persons likely to be affected by them; and
 - (b) by sending a copy of the notice to the [F314regulated person] .
 - (7) As soon as practicable after a final order is made or a provisional order is made or confirmed, the Director shall—
 - (a) serve a copy of the order on the [F314regulated person] ; and
 - (b) publish such a copy in such manner as he considers appropriate for the purpose of bringing the order to the attention of persons likely to be affected by it.

Status: Point in time view as at 21/03/2012.

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Textual Amendments

- F313** Word in s. 29(1)(c) substituted (1.10.2001) by 2000 c. 27, s. 96(6) (with s. 96(7)); S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F314** Words in s. 29 substituted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **37(4)(b)**
- F315** Word in s. 29(4)(b) substituted (1.10.2001) by 2000 c. 27, s. 96(6) (with s. 96(7)); S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)

Modifications etc. (not altering text)

- C42** Ss. 28-30F applied (with modifications) by 1995 c. 45, s. 12(5) (as substituted (21.3.2012) by [Energy Act 2011 \(c. 16\)](#), ss. **92(10)**, 121(1); S.I. 2012/873, art. 2(b)(ii))

30 Validity and effect of orders.

- (1) If the [^{F316}regulated person] is aggrieved by a final or provisional order and desires to question its validity on the ground that the making or confirmation of it was not within the powers of section 28 above or that any of the requirements of section 29 above have not been complied with in relation to it, he may within 42 days from the date of service on him of a copy of the order make an application to the court under this section.
- [^{F317}(2) On any such application the court, if satisfied that the making or confirmation of the order was not within those powers or that the interests of the l [^{F316}regulated person] have been substantially prejudiced by a failure to comply with those requirements—
 - (a) may quash the order or any provision of the order; ^{F318} . . .
 - ^{F319}(b)]
- (3) Except as provided by this section, the validity of a final or provisional order shall not be questioned by any legal proceedings whatever.
- (4) No criminal proceedings shall, by virtue of the making of a final order or the making or confirmation of a provisional order, lie against any person on the ground that he has committed, or aided, abetted, counselled or procured the commission of, or conspired or attempted to commit, or incited others to commit, any contravention of the order.
- (5) The obligation to comply with a final or provisional order is a duty owed to any person who may be affected by a contravention of it.
- (6) Where a duty is owed by virtue of subsection (5) above to any person any breach of the duty which causes that person to sustain loss or damage shall be actionable at the suit or instance of that person.
- (7) In any proceedings brought against any person in pursuance of subsection (6) above, it shall be a defence for him to prove that he took all reasonable steps and exercised all due diligence to avoid contravening the order.
- (8) Without prejudice to any right which any person may have by virtue of subsection (6) above to bring civil proceedings in respect of any contravention or apprehended contravention of a final or provisional order, compliance with any such order shall be enforceable by civil proceedings by the Director for an injunction or interdict or for any other appropriate relief.
- (9) In this section “the court” means—

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- (a) in relation to England and Wales, the High Court;
- (b) in relation to Scotland, the Court of Session.

Textual Amendments

- F316** Words in s. 30 substituted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **37(4)(c)**
- F317** S. 30(2) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 29(2)**; S.I. 1996/218, **art. 2**
- F318** Word in s. 30(2)(a) repealed (1.10.2001) by 2000 c. 27, s. 108, **Sch. 8**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F319** S. 30(2)(b) repealed (1.10.2001) by 2000 c. 27, ss. 95(3), 108, **Sch. 8**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)

Modifications etc. (not altering text)

- C42** Ss. 28-30F applied (with modifications) by 1995 c. 45, s. 12(5) (as substituted (21.3.2012) by [Energy Act 2011 \(c. 16\)](#), ss. **92(10)**, **121(1)**; S.I. 2012/873, art. 2(b)(ii))
- C43** S. 30(4) modified (E.W.) (1.10.2008) by [Serious Crime Act 2007 \(c. 27\)](#), s. 94(1), **Sch. 6 para. 12** (with [Sch. 13 para. 5](#)); S.I. 2008/2504, art. 2(a)

[^{F320}30A Penalties.

- (1) Where the Authority is satisfied that a [^{F321}regulated person] —
 - (a) has contravened or is contravening any relevant condition or requirement; or
 - (b) has failed or is failing to achieve any standard of performance prescribed under section 33A or 33AA,
 the Authority may, subject to section 30C, impose on the [^{F321}regulated person] a penalty of such amount as is reasonable in all the circumstances of the case.
- (2) The Authority shall not impose a penalty on a [^{F321}regulated person] under subsection (1) where it is satisfied that the most appropriate way of proceeding is under the ^{M8}Competition Act 1998.
- (3) Before imposing a penalty on a [^{F321}regulated person] under subsection (1) the Authority shall give notice—
 - (a) stating that it proposes to impose a penalty and the amount of the penalty proposed to be imposed;
 - (b) setting out the relevant condition or requirement or the standard of performance in question;
 - (c) specifying the acts or omissions which, in the opinion of the Authority, constitute the contravention or failure in question and the other facts which, in the opinion of the Authority, justify the imposition of a penalty and the amount of the penalty proposed; and
 - (d) specifying the period (not being less than 21 days from the date of publication of the notice) within which representations or objections with respect to the proposed penalty may be made,
 and shall consider any representations or objections which are duly made and not withdrawn.
- (4) Before varying any proposal stated in a notice under subsection (3)(a) the Authority shall give notice—
 - (a) setting out the proposed variation and the reasons for it; and

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- (b) specifying the period (not being less than 21 days from the date of publication of the notice) within which representations or objections with respect to the proposed variation may be made,
- and shall consider any representations or objections which are duly made and not withdrawn.
- (5) As soon as practicable after imposing a penalty, the Authority shall give notice—
- (a) stating that it has imposed a penalty on the [F321regulated person] and its amount;
- (b) setting out the relevant condition or requirement or the standard of performance in question;
- (c) specifying the acts or omissions which, in the opinion of the Authority, constitute the contravention or failure in question and the other facts which, in the opinion of the Authority, justify the imposition of the penalty and its amount; and
- (d) specifying a date, no earlier than the end of the period of 42 days from the date of service of the notice on the [F321regulated person] , by which the penalty is required to be paid.
- (6) The [F321regulated person] may, within 21 days of the date of service on him of a notice under subsection (5), make an application to the Authority for it to specify different dates by which different portions of the penalty are to be paid.
- (7) Any notice required to be given under this section shall be given—
- (a) by publishing the notice in such manner as the Authority considers appropriate for the purpose of bringing the matters to which the notice relates to the attention of persons likely to be affected by them;
- (b) by serving a copy of the notice on the [F321regulated person] ; and
- (c) by serving a copy of the notice on the Council.
- (8) No penalty imposed by the Authority under this section may exceed 10 per cent. of the turnover of the [F321regulated person] (determined in accordance with provisions specified in an order made by the Secretary of State).
- (9) An order under subsection (8) shall not be made unless a draft of the instrument containing it has been laid before and approved by a resolution of each House of Parliament.
- (10) Any sums received by the Authority by way of penalty under this section shall be paid into the Consolidated Fund.
- (11) The power of the Authority under subsection (1) is not exercisable in respect of any contravention or failure before the commencement of section 95 of the Utilities Act 2000.]

Textual Amendments

F320 SS. 30A-30F inserted (20.12.2000 for specified purposes otherwise 1.10.2001) by 2000 c. 27, s. 95(1); S.I. 2000/3343, art. 2, Sch. (subject to transitional provisions in arts. 3-15); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

F321 Words in s. 30A substituted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), 37(4)(d)

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Modifications etc. (not altering text)

- C42** Ss. 28-30F applied (with modifications) by 1995 c. 45, s. 12(5) (as substituted (21.3.2012) by [Energy Act 2011 \(c. 16\)](#), **ss. 92(10)**, 121(1); S.I. 2012/873, **art. 2(b)(ii)**)
- C44** S. 30A(1)(b) amended (*temp.* from 19.12.2000) by SI. 2000/3343, **art. 9(2)** (subject to transitional provisions in arts. 3-15)

Marginal Citations

- M8** 1998 c. 41.

[^{F322}30B Statement of policy with respect to penalties.

- (1) The Authority shall prepare and publish a statement of policy with respect to the imposition of penalties and the determination of their amount.
- (2) In deciding whether to impose a penalty, and in determining the amount of any penalty, in respect of a contravention or failure the Authority shall have regard to its statement of policy most recently published at the time when the contravention or failure occurred.
- (3) The Authority may revise its statement of policy and where it does so shall publish the revised statement.
- (4) Publication under this section shall be in such manner as the Authority considers appropriate for the purpose of bringing the matters contained in the statement of policy to the attention of persons likely to be affected by them.
- (5) The Authority shall undertake such consultation as it considers appropriate when preparing or revising its statement of policy.]

Textual Amendments

- F322** Ss. 30A-30F inserted (20.12.2000 for specified purposes otherwise 1.10.2001) by [2000 c. 27](#), **s. 95(1)**; [S.I. 2000/3343](#), **art. 2**, **Sch.** (subject to transitional provisions in [arts. 3-15](#)); [S.I. 2001/3266](#), **arts. 1(2)**, **2**, **Sch.** (subject to transitional provisions in [arts. 3-20](#))

Modifications etc. (not altering text)

- C42** Ss. 28-30F applied (with modifications) by 1995 c. 45, s. 12(5) (as substituted (21.3.2012) by [Energy Act 2011 \(c. 16\)](#), **ss. 92(10)**, 121(1); S.I. 2012/873, **art. 2(b)(ii)**)

[^{F323}30C Time limits on the imposition of penalties.

- (1) Where no final or provisional order has been made in relation to a contravention or failure, the Authority may not impose a penalty in respect of the contravention or failure later than the end of the period of [^{F324}five years] from the time of the contravention or failure, unless before the end of that period—
 - (a) the notice under section 30A(3) relating to the penalty is served on the [^{F325}regulated person] under section 30A(7), or
 - (b) a notice relating to the contravention or failure is served on the [^{F325}regulated person] under section 38(1).
- (2) Where a final or provisional order has been made in relation to a contravention or failure, the Authority may not impose a penalty in respect of the contravention or

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failure unless the notice relating to the penalty under section 30A(3) was served on the ^{F325}... under section 30A(7)—

- (a) within three months from the confirmation of the provisional order or the making of the final order, or
- (b) where the provisional order is not confirmed, within six months from the making of the provisional order.]

Textual Amendments

F323 Ss. 30A-30F inserted (20.12.2000 for specified purposes otherwise 1.10.2001) by 2000 c. 27, s. 95(1); S.I. 2000/3343, art. 2, Sch. (subject to transitional provisions in arts. 3-15); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

F324 Words in s. 30C(1) substituted (8.6.2010) by Energy Act 2010 (c. 27), ss. 24(1), 38(3) (with s. 24(3))

F325 Words in s. 30C substituted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), 37(4)(e)

Modifications etc. (not altering text)

C42 Ss. 28-30F applied (with modifications) by 1995 c. 45, s. 12(5) (as substituted (21.3.2012) by Energy Act 2011 (c. 16), ss. 92(10), 121(1); S.I. 2012/873, art. 2(b)(ii))

[^{F326}30D Interest and payment of instalments.

- (1) If the whole or any part of a penalty is not paid by the date by which it is required to be paid, the unpaid balance from time to time shall carry interest at the rate for the time being specified in section 17 of the ^{M9}Judgments Act 1838.
- (2) If an application is made under subsection (6) of section 30A in relation to a penalty, the penalty is not required to be paid until the application has been determined.
- (3) If the Authority grants an application under that subsection in relation to a penalty but any portion of the penalty is not paid by the date specified in relation to it by the Authority under that subsection, the Authority may where it considers it appropriate require so much of the penalty as has not already been paid to be paid immediately.]

Textual Amendments

F326 Ss. 30A-30F inserted (20.12.2000 for specified purposes otherwise 1.10.2001) by 2000 c. 27, s. 95(1); S.I. 2000/3343, art. 2, Sch. (subject to transitional provisions in arts. 3-15); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

Modifications etc. (not altering text)

C42 Ss. 28-30F applied (with modifications) by 1995 c. 45, s. 12(5) (as substituted (21.3.2012) by Energy Act 2011 (c. 16), ss. 92(10), 121(1); S.I. 2012/873, art. 2(b)(ii))

Marginal Citations

M9 1838 c. 110.

[^{F327}30E Appeals.

- (1) If the [^{F328}regulated person] on whom a penalty is imposed is aggrieved by—
 - (a) the imposition of the penalty;

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- (b) the amount of the penalty; or
 - (c) the date by which the penalty is required to be paid, or the different dates by which different portions of the penalty are required to be paid,the [^{F328}regulated person] may make an application to the court under this section.
- (2) An application under subsection (1) must be made—
 - (a) within 42 days from the date of service on the [^{F328}regulated person] of a notice under section 30A(5), or
 - (b) where the application relates to a decision of the Authority on an application by the [^{F328}regulated person] under section 30A(6), within 42 days from the date the licence holder is notified of the decision.
- (3) On any such application, where the court considers it appropriate to do so in all the circumstances of the case and is satisfied of one or more of the grounds falling within subsection (4), the court—
 - (a) may quash the penalty;
 - (b) may substitute a penalty of such lesser amount as the court considers appropriate in all the circumstances of the case; or
 - (c) in the case of an application under subsection (1)(c), may substitute for the date or dates imposed by the Authority an alternative date or dates.
- (4) The grounds falling within this subsection are—
 - (a) that the imposition of the penalty was not within the power of the Authority under section 30A;
 - (b) that any of the requirements of subsections (3) to (5) or (7) of section 30A have not been complied with in relation to the imposition of the penalty and the interests of the [^{F328}regulated person] have been substantially prejudiced by the non-compliance; or
 - (c) that it was unreasonable of the Authority to require the penalty imposed, or any portion of it, to be paid by the date or dates by which it was required to be paid.
- (5) If an application is made under this section in relation to a penalty, the penalty is not required to be paid until the application has been determined.
- (6) Where the court substitutes a penalty of a lesser amount it may require the payment of interest on the substituted penalty at such rate, and from such date, as it considers just and equitable.
- (7) Where the court specifies as a date by which the penalty, or a portion of the penalty, is to be paid a date before the determination of the application under this section it may require the payment of interest on the penalty, or portion, from that date at such rate as it considers just and equitable.
- (8) Except as provided by this section, the validity of a penalty shall not be questioned by any legal proceedings whatever.
- (9) In this section “the court” means—
 - (a) in relation to England and Wales, the High Court; and
 - (b) in relation to Scotland, the Court of Session.]

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Textual Amendments

F327 Ss. 30A-30F inserted (20.12.2000 for specified purposes otherwise 1.10.2001) by 2000 c. 27, s. 95(1); S.I. 2000/3343, art. 2, Sch. (subject to transitional provisions in arts. 3-15); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

F328 Words in s. 30E substituted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), 37(4)(f)

Modifications etc. (not altering text)

C42 Ss. 28-30F applied (with modifications) by 1995 c. 45, s. 12(5) (as substituted (21.3.2012) by Energy Act 2011 (c. 16), ss. 92(10), 121(1); S.I. 2012/873, art. 2(b)(ii))

[^{F329}**30F Recovery of penalties.**

Where a penalty imposed under section 30A(1), or any portion of it, has not been paid by the date on which it is required to be paid and—

- (a) no application relating to the penalty has been made under section 30E during the period within which such an application can be made, or
- (b) an application has been made under that section and determined,

the Authority may recover from the [^{F330}regulated person] , as a civil debt due to it, any of the penalty and any interest which has not been paid.]

Textual Amendments

F329 Ss. 30A-30F inserted (20.12.2000 for specified purposes otherwise 1.10.2001) by 2000 c. 27, s. 95(1); S.I. 2000/3343, art. 2, Sch. (subject to transitional provisions in arts. 3-15); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

F330 Words in s. 30F substituted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), 37(4)(g)

Modifications etc. (not altering text)

C42 Ss. 28-30F applied (with modifications) by 1995 c. 45, s. 12(5) (as substituted (21.3.2012) by Energy Act 2011 (c. 16), ss. 92(10), 121(1); S.I. 2012/873, art. 2(b)(ii))

Investigation of complaints etc.

[^{F331}**31**

Textual Amendments

F331 S. 31 repealed (7.11.2000) by 2000 c. 27, ss. 22(3), 108, Sch. 8 (with Sch. 7 para. 31); S.I. 2000/2974, art. 2, Sch. (subject to transitional provisions in arts. 3-12)

[^{F332}**32 Consumer complaints.**

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Textual Amendments

F332 S. 32 repealed (1.10.2008) by [Consumers, Estate Agents and Redress Act 2007 \(c. 17\)](#), s. 66(2), [Sch. 8](#); S.I. 2008/2550, art. 2, [Sch.](#)

^{F333}**32A**

Textual Amendments

F333 S. 32A repealed (7.11.2000) by [2000 c. 27](#), ss. 22(3), 108, [Sch. 8](#) (with [Sch. 7](#) para. 31); S.I. 2000/2974, art. 2, [Sch.](#) (subject to transitional provisions in arts. 3-12)

^{F334}**33 Power of Council to investigate other matters.**

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Textual Amendments

F334 S. 33 repealed (1.10.2008) by [Consumers, Estate Agents and Redress Act 2007 \(c. 17\)](#), s. 66(2), [Sch. 8](#); S.I. 2008/2550, art. 2, [Sch.](#)

^{F335} [*Standards of performance*]

Textual Amendments

F335 Cross heading, ss. 33A and 33B inserted (1.7.1992) by [Competition and Service \(Utilities\) Act 1992 \(c. 43\)](#), s. 11; Commencement Order No. 1 made on 29.5.1992, art. 3, [Sch. Pt.I.](#)

^{F336}**[33A Standards of performance in individual cases.**

[The Authority may make regulations prescribing such standards of performance in
^{F337}(1) connection with the activities of gas suppliers, so far as affecting customers or potential customers of theirs, as in the Authority's opinion ought to be achieved in individual cases.

(2) Regulations under this section may only be made with the consent of the Secretary of State.]]

(3) Regulations under this section may—

- (a) prescribe circumstances in which [^{F338}gas suppliers] are to inform [^{F339}customers or potential customers] of their rights under this section [^{F340}or the rights under section 33AA];
- (b) prescribe such standards of performance in relation to any duty arising under paragraph (a) above as, in the Director's opinion, ought to be achieved in all cases;
- (c) prescribe circumstances in which [^{F338}gas suppliers] are to be exempted from any requirements of the regulations or this section; and

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- (d) [^{F341}if the Director is of the opinion that the differences are such that no gas supplier would be unduly disadvantaged in competing with other gas suppliers,] make different provision with respect to different [^{F338}gas suppliers].
- (4) If a [^{F342}gas supplier] fails to meet a prescribed standard, he shall make to any [^{F343}customer or potential customer] who is affected by the failure [^{F344}and is of a prescribed description] such compensation as may be determined by or under the regulations.
- (5) The making of compensation under this section in respect of any failure to meet a prescribed standard shall not prejudice any other remedy which may be available in respect of the act or omission which constituted that failure.

- ^{F345}(6)
- ^{F345}(7)
- ^{F345}(8)
- ^{F345}(9)
- ^{F346}(10)
- ^{F346}(11)

Textual Amendments

- F336** Cross heading, ss. 33A and 33B inserted (1.7.1992) by [Competition and Service \(Utilities\) Act 1992](#) (c. 43), [s. 11](#); Commencement Order No. 1 made on 29.5.1992, art. 3, Sch. Pt. I.
- F337** S. 33A(1)(2) substituted (16.5.2001 for certain purposes and otherwise 1.10.2001) by [2000 c. 27, s. 108, Sch. 6 Pt. I para. 13\(a\)](#); S.I. 2001/1781, art. 2, [Sch.](#) (subject to transitional provisions in arts. 3-10); S.I. 2001/3266, arts. 1(2), 2, [Sch.](#) (subject to transitional provisions in arts. 3-20)
- F338** Words in s. 33A(3) substituted (1.3.1996) by [1995 c. 45, s. 10\(1\), Sch. 3 para. 34\(3\)\(a\)](#); S.I. 1996/218, [art. 2](#)
- F339** Words in s. 33A(3)(s) substituted (16.5.2001 for certain purposes and otherwise 1.10.2001) by [2000 c. 27, s. 108, Sch. 6 Pt. I para. 13\(b\)](#); S.I. 2001/1781, art. 2, [Sch.](#) (subject to transitional provisions in arts. 3-10); S.I. 2001/3266, arts. 1(2), 2, [Sch.](#) (subject to transitional provisions in arts. 3-20)
- F340** Words in s. 33A(3)(a) inserted (1.10.2001) by [2000 c. 27, s. 90\(1\)\(a\)](#); S.I. 2001/3266, arts. 1(2), 2, [Sch.](#) (subject to transitional provisions in arts. 3-20)
- F341** Words in s. 33A(3)(d) substituted (1.3.1996) by [1995 c. 45, s. 10\(1\), Sch. 3 para. 34\(3\)\(c\)](#); S.I. 1996/218, [art. 2](#)
- F342** Words in s. 33A(4) substituted (1.3.1996) by [1995 c. 45, s. 10\(1\), Sch. 3 para. 34\(4\)\(a\)](#); S.I. 1996/218, [art. 2](#)
- F343** Words in s. 33A(4) substituted (16.5.2001 for certain purposes and otherwise 1.10.2001) by [2000 c. 27, s. 108, Sch. 6 Pt. I para. 13\(c\)](#); S.I. 2001/1781, art. 2, [Sch.](#) (subject to transitional provisions in arts. 3-10); S.I. 2001/3266, arts. 1(2), 2, [Sch.](#) (subject to transitional provisions in art. 3-20)
- F344** Words in s. 33A(4) inserted (16.5.2001 for certain purposes and otherwise 1.10.2001) by [2000 c. 27, s. 108, Sch. 6 Pt. I para. 13\(c\)](#); S.I. 2001/1781, art. 2, [Sch.](#) (subject to transitional provisions in arts. 3-10); S.I. 2001/3266, arts. 1(2), 2, [Sch.](#) (subject to transitional provisions in arts. 3-20)
- F345** S. 33A(6)-(9) repealed (1.10.2001) by [2000 c. 27, ss. 90\(1\)\(b\), 108, Sch. 8](#); S.I. 2001/3266, arts. 1(2), 2, [Sch.](#) (subject to transitional provisions in arts. 3-20)
- F346** S. 33A(10)(11) repealed (1.3.1996) by [1995 c. 45, ss. 10\(1\), 17\(5\), Sch. 3 para. 34\(5\), Sch. 6](#); S.I. 1996/218, [art. 2](#)

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^{F347}**[33A Standards of performance in individual cases: gas transporters.**

- (1) The Authority may make regulations prescribing such standards of performance in connection with the activities of gas transporters, so far as affecting customers or potential customers of gas suppliers, as in the Authority's opinion ought to be achieved in individual cases.
- (2) Regulations under this section may only be made with the consent of the Secretary of State.
- (3) If a gas transporter fails to meet a prescribed standard, he shall make to any customer or potential customer of a gas supplier who is affected by the failure and is of a prescribed description such compensation as may be determined by or under the regulations.
- (4) The regulations may—
 - (a) prescribe circumstances in which gas transporters are to inform customers or potential customers of gas suppliers of their rights under this section;
 - (b) prescribe such standards of performance in relation to any duty arising under paragraph (a) as, in the Authority's opinion, ought to be achieved in all cases;
 - (c) make provision as to the manner in which compensation under this section is to be made;
 - (d) prescribe circumstances in which gas transporters are to be exempted from any requirements of the regulations or this section; and
 - (e) if the Authority is of the opinion that the differences are such that no gas transporter would be unduly disadvantaged in competing with other gas transporters, make different provision with respect to different gas transporters.
- (5) Provision made under subsection (4)(c) may—
 - (a) require or permit compensation to be made on behalf of gas transporters by gas suppliers to customers or potential customers;
 - (b) require gas suppliers to provide services to gas transporters in connection with the making of compensation under this section.
- (6) The making of compensation under this section in respect of any failure to meet a prescribed standard shall not prejudice any other remedy which may be available in respect of the act or omission which constituted that failure.]

Textual Amendments

F347 S. 33AA inserted (16.5.2001 for certain purposes and otherwise 1.10.2001) by 2000 c. 27, s. 90(2); S.I. 2001/1781, art. 2, Sch. (subject to transitional provisions in arts. 3-10); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

^{F348}**[33AB Standards of performance in individual cases: disputes.**

- (1) Any dispute arising under section 33A or 33AA or regulations made under either of those sections—
 - (a) may be referred to the Authority by either party or, with the agreement of either party, by the Council; and
 - (b) on such a reference, shall be determined by order made by the Authority or, if it thinks fit, by such person (other than the Council) as may be prescribed.

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- (2) A person making an order under subsection (1) shall include in the order his reasons for reaching his decision with respect to the dispute.
- (3) The practice and procedure to be followed in connection with any such determination shall be such as may be prescribed.
- (4) An order under subsection (1) shall be final and shall be enforceable—
 - (a) in England and Wales, as if it were a judgment of a county court; and
 - (b) in Scotland, as if it were an extract registered decree arbitral bearing a warrant for execution issued by the sheriff.
- (5) In this section “prescribed” means prescribed by regulations made by the Authority with the consent of the Secretary of State.]

Textual Amendments

F348 S. 33AB inserted (16.5.2001 for certain purposes and otherwise 1.10.2001) by 2000 c. 27, s. 90(2); S.I. 2001/1781, art. 2, Sch. (subject to transitional provisions in arts. 3-10); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

[^{F349}33B Overall standards of performance.

- (1) The Director may from time to time—
 - (a) determine such standards of overall performance in connection with the provision of gas supply services by [^{F350}gas suppliers] as, in his opinion, ought to be achieved by them; and
 - (b) arrange for the publication, in such form and in such manner as he considers appropriate, of the standards so determined.

^{F351}(2)

[Different standards may be determined for different gas suppliers if the Director is ^{F352}(3) of the opinion that the differences are such that no gas supplier would be unduly disadvantaged in competing with other gas suppliers.

(3A) Standards may be determined either as respects the provision of gas supply services generally or as respects the provision of such services to customers of a particular class or description.]

- (4) It shall be the duty of every [^{F353}gas supplier] to conduct his business in such a way as can reasonably be expected to lead to his achieving the standards set under this section.]

Textual Amendments

F349 Cross heading, ss. 33A and 33B inserted (1.7.1992) by Competition and Service (Utilities) Act 1992 (c. 43), s. 11; Commencement Order No. 1 made on 29.5.1992, art. 3, Sch. Pt. I.

F350 Words in s. 33B(1) substituted (1.3.1996) by 1995 c. 45, s. 10(1), Sch. 3 para. 35(1); S.I. 1996/218, art. 2

F351 S. 33B(2) repealed (1.10.2001) by 2000 c. 27, s. 108, Sch. 8; S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

F352 S. 33B(3)(3A) substituted for s. 33B(3) (1.3.1996) by 1995 c. 45, s. 10(1), Sch. 3 para. 35(3); S.I. 1996/218, art. 2

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F353 Words in s. 33B(4) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 35(4)**; S.I. 1996/218, **art. 2**

F354 **[33BA Overall standards of performance: gas transporters.**

- (1) The Authority may from time to time—
 - (a) determine such standards of overall performance in connection with the activities of gas transporters as, in its opinion, ought to be achieved by them; and
 - (b) arrange for the publication, in such form and in such manner as he considers appropriate, of the standards so determined.
- (2) Different standards may be determined for different gas transporters if the Authority is of the opinion that the differences are such that no gas transporter would be unduly disadvantaged in competing with other gas transporters.
- (3) It shall be the duty of every gas transporter to conduct his business in such a way as can reasonably be expected to lead to his achieving the standards set under this section.]

Textual Amendments

F354 S. 33BA inserted (16.5.2001 for certain purposes and otherwise 1.10.2001) by 2000 c. 27, s. 91; S.I. 2001/1781, **art. 2**, **Sch.** (subject to transitional provisions in **arts. 3-10**); S.I. 2001/3266, **arts. 1(2), 2**, **Sch.** (subject to transitional provisions in **arts. 3-20**)

F355 **[33BA Procedures for prescribing or determining standards of performance.**

- (1) Before prescribing standards of performance in regulations under section 33A or 33AA, or determining standards of performance under section 33B or 33BA, the Authority shall—
 - (a) arrange for such research as the Authority considers appropriate with a view to discovering the views of a representative sample of persons likely to be affected and consider the results;
 - (b) publish a notice of its proposals in accordance with subsections (2) and (3) and consider any representations which are duly made in respect of those proposals; and
 - (c) consult the Council and other persons or bodies mentioned in subsection (4).
- (2) The notice required by subsection (1)(b) is a notice—
 - (a) stating that the Authority proposes to prescribe or determine standards of performance and setting out the standards of performance proposed;
 - (b) stating the reasons why it proposes to prescribe or determine those standards of performance; and
 - (c) specifying the time (not being less than 28 days from the date of publication of the notice) within which representations with respect to the proposals may be made.
- (3) A notice required by subsection (1)(b) shall be published in such manner as the Authority considers appropriate for the purpose of bringing it to the attention of those likely to be affected by the proposals.

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- (4) The persons or bodies to be consulted by the Authority under subsection (1)(c) are—
- (a) gas suppliers (in the case of standards of performance under section 33A or 33B) or gas transporters and gas suppliers (in the case of standards of performance under section 33AA or 33BA); and
 - (b) persons or bodies appearing to the Authority to be representative of persons likely to be affected by the regulations or determination.
- (5) The Authority shall make arrangements for securing that notices under subsection (1)(b), regulations under section 33A or 33AA and determinations under section 33B or 33BA are made available to the public by whatever means it considers appropriate.]

Textual Amendments

F355 S. 33BAA inserted (16.5.2001 for certain purposes and otherwise 1.10.2001) by 2000 c. 27, s. 92; S.I. 2001/1781, art. 2, Sch. (subject to transitional provisions in arts. 3-10)); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

[^{F356}33B^{F357} Promotion of reductions in carbon emissions: gas transporters and gas suppliers]

- (1) The Secretary of State may by order impose—
- (a) on each gas transporter (or each gas transporter of a specified description); and
 - (b) on each gas supplier (or each gas supplier of a specified description),
- an obligation to achieve, within a specified period and in accordance with the order, the [^{F358}carbon emissions reduction target] to be determined by [^{F359}the Administrator] under the order for that transporter or supplier (and that obligation is referred to in this section as [^{F360}a “carbon emissions reduction obligation”]).
- [The power to make orders under this section may be exercised so as to impose more
- ^{F361}(1A) than one carbon emissions reduction obligation on a person in relation to the same period or to periods that overlap to any extent.]
- [^{F362}(2) In this section “carbon emissions reduction target” means a target for the promotion of any of the following—
- (a) measures for improving energy efficiency, that is to say, efficiency in the use by consumers of electricity, gas conveyed through pipes or any other source of energy which is specified in the order;
 - (b) if the order so provides—
 - (i) measures for increasing the amount of electricity generated, or heat produced, by microgeneration;
 - (ii) any other measures of a description specified in the order for increasing the amount of electricity generated, or heat produced, using low-emissions sources or technologies;
 - (iii) measures for reducing the consumption of such energy as is mentioned in paragraph (a).]
- [In this section “the Administrator” means—
- ^{F363}(2A) (a) the Authority; or
- (b) if the order so provides, the Secretary of State or a specified body other than the Authority.]

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- (3) An order under this section may specify criteria by reference to which [F364the Administrator] is to determine [F365carbon emissions reduction targets] for the gas transporters and gas suppliers on whom obligations are imposed by the order.
- (4) The Secretary of State and [F366(subject to any directions given under subsection (9B)) the Administrator] shall carry out their respective functions under this section in the manner he or it considers is best calculated to ensure that no gas transporter is unduly disadvantaged in competing with other gas transporters and no gas supplier is unduly disadvantaged in competing with other gas suppliers.
- (5) The order may make provision generally in relation to the [F367carbon emissions reduction obligations] which it imposes, including in particular provision—
- (a) as to the treatment of persons who become gas transporters or gas suppliers after the beginning of the period to which the order relates;
 - (b) as to the action which qualifies for the purpose of meeting the whole or any part of [F368a carbon emissions reduction target];
 - [F369](ba) requiring part of a carbon emissions reduction target to be met by action of a specified description;
 - (bb) requiring the whole or any part of a carbon emissions reduction target to be met by action relating to—
 - (i) individuals of a specified description,
 - (ii) property of a specified description,
 - (iii) specified areas or areas of a specified description, or
 - (iv) individuals or property of a specified description in specified areas or areas of a specified description;
 - (bc) enabling the Administrator to direct a transporter or supplier to meet part of a carbon emissions reduction target by action relating to an individual named in the direction;
 - (bd) preventing action from qualifying for the purpose of meeting the whole or any part of a carbon emissions reduction target unless such persons as are specified in, or determined in accordance with, the order—
 - (i) have been consulted about the action;
 - (ii) have consented to the action;
 - (be) requiring action which qualifies for the purpose of meeting both a carbon emissions reduction target and a home-heating cost reduction target to be treated as qualifying only for the purpose of meeting such one of those targets as the transporter or supplier concerned elects;
 - (c) determining, or specifying the method for determining, the contribution that any action makes towards meeting a carbon emissions reduction target;]
 - (d) requiring transporters and suppliers to give to [F370the Administrator] specified information, or information of a specified nature, about their proposals for complying with their [F371carbon emissions reduction obligations];
 - (e) requiring [F372the Administrator] to determine—
 - (i) whether any proposed action qualifies for the purpose of achieving the whole or any part of a person's [F373carbon emissions reduction target]; and
 - [F374(ii) if so, what contribution the proposed action (or any result of that action specified in the determination) is to make towards achieving the carbon emissions reduction target;]

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- (f) requiring transporters or suppliers to produce to [^{F375}the Administrator] evidence of a specified kind demonstrating that they have complied with their [^{F376}carbon emissions reduction obligations][^{F377}; and
- (g) requiring the Administrator or a specified body to offer services of a specified kind and authorising a specified fee to be charged to those who take up the offer.]

[If the order makes provision by virtue of subsection (5)(bc) enabling the Administrator ^{F378}(5A) to direct a transporter or supplier to meet part of a carbon emissions reduction target by action relating to an individual named in the direction the order may also make provision—

- (a) authorising the Administrator to require specified persons to provide it with information for the purpose of enabling it to identify and select individuals who are to be the subject of a direction;
- (b) specifying criteria in accordance with which the Administrator is to select individuals who are to be the subject of a direction;
- (c) determining, or specifying the method for determining, which transporter or supplier is to be given a direction in relation to any particular individual selected in accordance with provision made under paragraph (b);
- (d) authorising the Administrator, if it gives a direction to a transporter or supplier, to provide the transporter or supplier with information relating to the individual concerned for the purpose of assisting the transporter or supplier to comply with the direction;
- (e) as to the times at which a direction may be given;
- (f) as to the circumstances in which a direction need not be complied with.

(5B) Provision made by virtue of subsection (5)(c) may in particular provide for an action to be treated as making a greater contribution than it would otherwise do if the action relates to—

- (a) an individual of a specified description,
- (b) a property of a specified description, or
- (c) both an individual of a specified description and a property of a specified description.]

(6) The order may make provision authorising [^{F379}the Administrator] to require a transporter or supplier to provide it with specified information, or information of a specified nature, relating to—

- (a) his proposals for complying with his [^{F380}carbon emissions reduction obligation]; or
- (b) the question whether he has complied with that obligation.

(7) The order may make provision as to circumstances in which—

- (a) a person's [^{F381}carbon emissions reduction target] may be altered during the period to which the order relates;
- (b) the whole or any part of a person's [^{F381}carbon emissions reduction target] may be treated as having been achieved by action taken otherwise than by or on behalf of that person;
- (c) any action taken before the period to which the order relates may be treated as qualifying action taken during that period;
- (d) the whole or any part of a person's [^{F382}carbon emissions reduction target] may be transferred to another gas transporter or gas supplier or to an

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electricity distributor or electricity supplier (within the meaning of Part I of the ^{M10}Electricity Act 1989); or

- (e) a person may carry forward the whole or any part of his [^{F382}carbon emissions reduction target] for the period to which the order relates to a subsequent period.

[The order may—

- ^{F383}(7A) (a) make provision for any specified requirement contained in it to be treated as a relevant requirement for the purposes of this Part; or
- (b) if it provides for the Administrator to be a person other than the Authority, make provision for and in connection with enabling the Administrator to enforce any requirement imposed by the order.

(7B) Provision made by virtue of paragraph (b) of subsection (7A) may, in particular, include provision corresponding to or applying (with or without modifications) any of sections 28 to 30F and section 38.]

(8) The order may—

- (a) provide for exceptions from any requirement of the order;
- ^{F384}(b)
- (c) make supplementary, incidental and transitional provision; and
- (d) subject to subsection (4), make different provision for different cases (including different provision in relation to different transporters or suppliers).

(9) The order may include provision for treating the promotion of the supply to premises of—

- (a) electricity generated by a generating station which is operated for the purposes of producing heat, or a cooling effect, in association with electricity;
- (b) heat produced in association with electricity or steam produced from (or air or water heated by) such heat; or
- (c) any gas or liquid subjected to a cooling effect produced in association with electricity,

as promotion of improvements in energy efficiency.

[The order may make provision requiring the Administrator to give guidance to

^{F385}(9A) transporters or suppliers concerning such matters relating to the order as are specified.

(9B) The Administrator shall carry out its functions under this section in accordance with any general or specific directions given to it by the Secretary of State.]

(10) No person shall be required by virtue of this section to provide any information which he could not be compelled to give in evidence in civil proceedings in the High Court or, in Scotland, the Court of Session.

[^{F386}(10A) The Secretary of State must obtain the consent of the Scottish Ministers before making an order under this section which contains provision that—

- (a) is included by virtue of subsection (2)(b),
- (b) extends to Scotland, and
- (c) would be within the legislative competence of the Scottish Parliament if contained in an Act of that Parliament.]

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- (11) Before making an order under this section the Secretary of State shall consult the Authority, the Council, gas transporters and gas suppliers and such other persons as he considers appropriate.
- (12) An order under this section shall not be made unless a draft of the instrument containing it has been laid before, and approved by a resolution of, each House of Parliament.]
- [^{F387}(12A) Subsection (12) does not apply to an order under this section made only for the purpose of amending an earlier order under this section so as to alter the provision included in the earlier order by virtue of any of paragraphs (b), (ba) or (c) of subsection (5). But such an order shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (12B) If an order under this section provides for the Administrator to be a body other than the Authority, the Secretary of State may make payments to the body of such amounts as the Secretary of State considers appropriate.]
- [^{F388}(13) In this section—
- “[^{F389}home-heating cost reduction target ” has the meaning given by section 33BD(2)(a);]
- “microgeneration” has the same meaning as in the Climate Change and Sustainable Energy Act 2006;
- “plant” includes any equipment, apparatus or appliance;
- [^{F390}“specified” means specified in the order.]
- (14) For the purposes of subsection (2)(b)(ii), electricity is generated, or heat is produced, using low-emissions sources or technologies if it is generated, or produced, by plant which relies wholly or mainly on a source of energy or a technology mentioned in section 26(2) of the Climate Change and Sustainable Energy Act 2006.]

Textual Amendments

- F356** S. 33BC substituted (1.10.2001) for s. 33BB by 2000 c. 27, s. 99; S.I. 2001/3266, art. 2, Sch. (subject to transitional provisions in arts. 3-20)
- F357** S. 33BC heading substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), s. 28(3), Sch. para. 2(2); S.I. 2007/538, art. 2
- F358** Words in s. 33BC(1) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), ss. 15(2)(a), 28(3); S.I. 2007/538, art. 2
- F359** Words in s. 33BC(1) substituted (18.12.2011) by Energy Act 2011 (c. 16), ss. 66(2), 121(3)
- F360** Words in s. 33BC(1) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), ss. 15(2)(b), 28(3); S.I. 2007/538, art. 2
- F361** S. 33BC(1A) inserted (26.1.2009) by Climate Change Act 2008 (c. 27), s. 100(5), Sch. 8 para. 1(2)
- F362** S. 33BC(2) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), ss. 15(3), 28(3); S.I. 2007/538, art. 2
- F363** S. 33BC(2A) inserted (18.12.2011) by Energy Act 2011 (c. 16), ss. 66(3), 121(3)
- F364** Words in s. 33BC(3) substituted (18.12.2011) by Energy Act 2011 (c. 16), ss. 66(4), 121(3)
- F365** Words in s. 33BC(3) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), s. 28(3), Sch. para. 2(3); S.I. 2007/538, art. 2
- F366** Words in s. 33BC(4) substituted (18.12.2011) by Energy Act 2011 (c. 16), ss. 66(5), 121(3)
- F367** Words in s. 33BC(5) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), s. 28(3), Sch. para. 2(4)(a); S.I. 2007/538, art. 2

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- F368** Words in s. 33BC(5)(b) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), s. 28(3), **Sch. para. 2(4)(b)**; S.I. 2007/538, art. 2
- F369** Ss. 33BC(5)(ba)-(c) substituted for s. 33BC(5)(ba)(c) (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(6)(a)**, 121(3)
- F370** Words in s. 33BC(5)(d) substituted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(6)(b)**, 121(3)
- F371** Words in s. 33BC(5)(d) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), s. 28(3), **Sch. para. 2(4)(d)**; S.I. 2007/538, art. 2
- F372** Words in s. 33BC(5)(e) substituted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(6)(c)(i)**, 121(3)
- F373** Words in s. 33BC(5)(e)(i) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), s. 28(3), **Sch. para. 2(4)(e)(i)**; S.I. 2007/538, art. 2
- F374** S. 33BC(5)(e)(ii) substituted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(6)(c)(ii)**, 121(3)
- F375** Words in s. 33BC(5)(f) substituted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(6)(d)**, 121(3)
- F376** Words in s. 33BC(5)(f) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), s. 28(3), **Sch. para. 2(4)(d)**; S.I. 2007/538, art. 2
- F377** S. 33BC(5)(g) and words inserted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(6)(e)**, 121(3)
- F378** S. 33BC(5A)(5B) inserted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(7)**, 121(3)
- F379** Words in s. 33BC(6) substituted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(8)**, 121(3)
- F380** Words in s. 33BC(6) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), s. 28(3), **Sch. para. 2(5)**; S.I. 2007/538, art. 2
- F381** Words in s. 33BC(7) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), s. 28(3), **Sch. para. 2(6)**; S.I. 2007/538, art. 2
- F382** Words in s. 33BC(7)(d)(e) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), s. 28(3), **Sch. para. 2(6)**; S.I. 2007/538, art. 2
- F383** S. 33BC(7A)(7B) inserted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(9)**, 121(3)
- F384** S. 33BC(8)(b) omitted (18.12.2011) by virtue of Energy Act 2011 (c. 16), **ss. 66(10)**, 121(3)
- F385** S. 33BC(9A)(9B) inserted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(11)**, 121(3)
- F386** S. 33BC(10A) substituted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(12)**, 121(3)
- F387** S. 33BC(12A)(12B) inserted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(13)**, 121(3) (with s. 66(15))
- F388** S. 33BC(13)(14) added (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), **ss. 15(5)**, 28(3); S.I. 2007/538, art. 2
- F389** Words in s. 33BC(13) inserted (18.12.2011) by Energy Act 2011 (c. 16), **ss. 66(14)**, 121(3)
- F390** Words in s. 33BC(13) inserted (26.1.2009) by Climate Change Act 2008 (c. 27), s. 100(5), **Sch. 8 para. 1(4)**

Modifications etc. (not altering text)

- C45** Definition of
“energy efficiency target”
in s. 33BC(2) modified (15.12.2001) by S.I. 2001/4011, **art. 5**

Marginal Citations

- M10** 1989 c. 29.

[^{F391}33BD] Promotion of reductions in home-heating costs: gas transporters and gas suppliers

- (1) The Secretary of State may by order impose—
- (a) on each gas transporter (or each gas transporter of a specified description); and
 - (b) on each gas supplier (or each gas supplier of a specified description),
- an obligation to achieve, within a specified period and in accordance with the order, the home-heating cost reduction target to be determined by the Administrator under the

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order for that transporter or supplier (and that obligation is referred to in this section as a “home-heating cost reduction obligation”).

- (2) In this section—
 - (a) “the Administrator” means—
 - (i) the Authority; or
 - (ii) if the order so provides, the Secretary of State or a specified body other than the Authority;
 - (b) “home-heating cost reduction target” means a target for the promotion of measures for reducing the cost to individuals of heating their homes;
 - (c) “specified” means specified in the order.
- (3) The power to make orders under this section may be exercised so as to impose more than one home-heating cost reduction obligation on a person in relation to the same period or to periods that overlap to any extent.
- (4) Subsections (3), (5) to (8), (9A) and (10A) to (12B) of section 33BC apply to an order under this section as they apply to an order under that section, with the following modifications—
 - (a) for “carbon emissions reduction obligation” (in each place) substitute “home-heating cost reduction obligation ”;
 - (b) for “carbon emissions reduction obligations” (in each place) substitute “home-heating cost reduction obligations ”;
 - (c) for “carbon emissions reduction target” (in each place other than in paragraph (be) of subsection (5)) substitute “ home-heating cost reduction target ”;
 - (d) for “carbon emissions reduction targets” (in each place) substitute “ home-heating cost reduction targets ”; and
 - (e) omit paragraph (a) of subsection (10A).
- (5) Subsections (4) and (9B) of section 33BC apply to the carrying out by the Secretary of State and the Administrator of their respective functions under this section as they apply to the carrying out by those persons of their functions under that section.
- (6) No person shall be required by virtue of this section to provide any information which he could not be compelled to give in evidence in civil proceedings in the High Court or, in Scotland, the Court of Session.]

Textual Amendments

F391 S. 33BD inserted (18.12.2011) by [Energy Act 2011 \(c. 16\)](#), **ss. 68, 121(3)**

[^{F393}33C Information with respect to levels of performance.

- (1) The Director shall from time to time collect information with respect to—
 - (a) the compensation made by [^{F394}gas suppliers] under section 33A above;
 - (b) the levels of overall performance achieved by [^{F394}gas suppliers] in connection with the provision of gas supply services; ^{F395} . . .
 - ^{F395}(c)

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- [The Authority shall from time to time collect information with respect to—
- ^{F396}(1A) (a) the compensation made by gas transporters under section 33AA;
 (b) the levels of overall performance achieved by gas transporters.]
- (2) At such times as the Director may direct, each [^{F397}gas supplier] shall give the following information to the Director—
- (a) as respects each standard prescribed by regulations under section 33A above, the number of cases in which compensation was made and the aggregate amount or value of that compensation; and
- (b) as respects each standard determined under [^{F398}section 33B ^{F399}. . .], such information with respect to the level of performance achieved by the supplier as [^{F400}the Authority may direct].
- [At such times as the Authority may direct, each gas transporter shall give the following
- ^{F401}(2A) information to the Authority—
- (a) as respects each standard prescribed by regulations under section 33AA, the number of cases in which compensation was made and the aggregate amount or value of that compensation; and
- (b) as respects each standard determined under section 33BA, such information with respect to the level of performance achieved by the transporter as the Authority may direct.]
- (3)
- ^{F402}(4)
- ^{F402}(5)]

Textual Amendments

F393 S. 33C inserted (1.7.1992) by [Competition and Service \(Utilities\) Act 1992 \(c. 43\)](#), [s. 12](#); Commencement Order No. 1 made on 29.5.1992, art. 3, Sch. Pt. I.

F394 Words in s. 33C(1) substituted (1.3.1996) by [1995 c. 45, s. 10\(1\)](#), [Sch. 3 para. 36\(1\)](#); S.I. 1996/218, [art. 2](#)

F395 s. 33C(1)(c) and word “and” immediately preceding it repealed (1.10.2001) by [2000 c. 27, ss. 93\(2\), 108, Sch. 8](#); S.I. 2001/3266, [arts. 1\(2\), 2, Sch.](#) (subject to transitional provisions in [arts. 3-20](#))

F396 S. 33C(1A) inserted (1.10.2001) by [2000 c. 27, s. 93\(3\)](#); S.I. 2001/3266, [arts. 1\(2\), 2, Sch.](#) (subject to transitional provisions in [arts. 3-20](#))

F397 Words in s. 33C(2) substituted (1.3.1996) by [1995 c. 45, s. 10\(1\)](#), [Sch. 3 para. 37\(2\)\(a\)](#); S.I. 1996/218, [art. 2](#)

F398 Words in s. 33C(2) substituted (1.3.1996) by [1995 c. 45, s. 10\(1\)](#), [Sch. 3 para. 37\(2\)\(b\)](#); S.I. 1996/218, [art. 2](#)

F399 Words in s. 33C(2)(b) repealed (1.10.2001) by [2000 c. 27, ss. 93\(4\), 108, Sch. 8](#); S.I. 2001/3266, [arts. 1\(2\), 2, Sch.](#) (subject to transitional provisions in [arts. 3-20](#))

F400 Words in s. 33C(2)(b) substituted (1.10.2001) by [2000 c. 27, s. 108, Sch. 6, Pt. I para. 14](#); S.I. 2001/3266, [arts. 1\(2\), 2, Sch.](#) (subject to transitional provisions in [arts. 3-20](#))

F401 S. 33C(2A) inserted (1.10.2001) by [2000 c. 27, s. 93\(5\)](#); S.I. 2001/3266, [arts. 1\(2\), 2, Sch.](#) (subject to transitional provisions in [arts. 3-20](#))

F402 S. 33C(4)(5) repealed (1.10.2001) by [2000 c. 27, ss. 20\(7\), 108, Sch. 8](#); S.I. 2001/3266, [arts. 1\(2\), 2, Sch.](#) (subject to transitional provisions in [arts. 3-20](#))

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[^{F403}33D Information to be given to customers about overall performance.

- (1) The Authority may make regulations requiring such information as may be specified or described in the regulations about—
 - (a) the standards of overall performance determined under section 33B or 33BA; and
 - (b) the levels of performance achieved as respects those standards,to be given by gas suppliers or gas transporters to customers or potential customers of gas suppliers.
- (2) Regulations under this section may include provision—
 - (a) as to the form and manner in which and the frequency with which information is to be given; and
 - (b) requiring information about the matters mentioned in subsection (1)(a) or (b) and relating to gas transporters to be given by gas transporters to gas suppliers and by gas suppliers to their customers or potential customers.]

Textual Amendments

F403 S. 33D substituted (16.5.2001 for certain purposes and otherwise 1.10.2001) by 2000 c. 27, s. 94; S.I. 2001/1781, art. 2, Sch. (subject to transitional provisions in arts. 3-10); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

[^{F404}33DA Publication of statistical information about standards of performance.

- (1) It shall be the duty of the Council to publish, in such form and manner and with such frequency as it thinks appropriate, such statistical information as it considers appropriate in relation to—
 - (a) the levels of performance achieved by gas suppliers and gas transporters in respect of—
 - (i) standards of performance prescribed or determined under sections 33A, 33AA, 33B and 33BA; and
 - (ii) [^{F405}carbon emissions reduction obligations] imposed by order under section 33BC; and
 - [home-heating cost reduction obligations imposed by order under ^{F406}(iii) section 33BD; and]
 - (b) complaints made by consumers about any matter relating to the activities of such suppliers or transporters and the handling of such complaints.
- (2) In subsection (1)(b) “complaints” includes complaints made directly to gas suppliers and gas transporters (or anyone carrying on activities on their behalf) and complaints to the Authority or the Council.]

Textual Amendments

F404 S. 33DA inserted (7.11.2000 for certain purposes and otherwise 1.10.2001) by 2000 c. 27, s. 20(5); S.I. 2000/2974, art. 2, Sch. (subject to transitional provisions in arts. 3-12)); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

F405 Words in s. 33DA(1)(a)(ii) substituted (28.2.2007) by Climate Change and Sustainable Energy Act 2006 (c. 19), s. 28(3), Sch. para. 3; S.I. 2007/538, art. 2

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F406 S. 33DA(1)(a)(iii) inserted (18.12.2011) by [Energy Act 2011 \(c. 16\), s. 121\(5\)\(a\), Sch. 1 para. 1](#)

[^{F407}33DB Information relating to complaints handling standards

- (1) This section applies in relation to standards prescribed by the Authority by regulations under section 43 of the Consumers, Estate Agents and Redress Act 2007 (standards for complaints handling) in relation to licence holders (or some of them).
- (2) The Authority must from time to time collect information with respect to the levels of compliance with the standards which those licence holders have achieved.
- (3) At such times as the Authority may direct, each of those licence holders must give the Authority such information as the Authority may direct with respect to the levels of compliance with the standards which the licence holder has achieved.]

Textual Amendments

F407 S. 33DB inserted (1.10.2008) by [Consumers, Estate Agents and Redress Act 2007 \(c. 17\), s. 66\(2\), Sch. 5 para. 1\(3\)](#) (with [s. 48\(3\)](#)); [S.I. 2008/2550, art. 2, Sch.](#)

^{F408}33E

Textual Amendments

F408 S. 33E repealed (7.11.2000 for s. 33E(2)(a) and otherwise 1.10.2001) by [2000 c. 27, s. 108, Sch. 6 Pt. 1 para. 15, Sch. 8; S.I. 2000/2974, art. 2, Sch.](#) (subject to transitional provisions in [arts. 3-12](#)); [S.I. 2001/3266, arts. 1\(2\), 2, Sch.](#) (subject to transitional provisions in [arts. 3-20](#))

^{F409}[Service standards and remuneration

Textual Amendments

F409 S. 33F and cross heading inserted (1.10.2001) by [2000 c. 27, s. 97; S.I. 2001/3266, arts. 1\(2\), 2, Sch.](#) (subject to transitional provisions in [arts. 3-20](#))

33F ^{F410} Remuneration and service standards.

- (1) This section applies to any company which is authorised by a licence to carry on activities subject to price regulation.
- (2) As soon as reasonably practicable after the end of each financial year of the company it must make a statement to the Authority—
 - (a) disclosing whether or not remuneration has been paid or become due during that financial year to the directors of the company as a result of arrangements falling within subsection (3); and
 - (b) where such remuneration has been paid or become due, describing the arrangements and the remuneration.

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- (3) Arrangements fall within this subsection if they are arrangements for linking the remuneration of the directors of the company to levels of performance as respects service standards in connection with activities subject to price regulation.
- (4) A description under subsection (2)(b) must include in particular—
 - (a) a statement of when the arrangements were made;
 - (b) a description of the service standards in question;
 - (c) an explanation of the means by which the levels of performance as respects those service standards are assessed; and
 - (d) an explanation of how the remuneration was calculated.
- (5) The statement required by subsection (2) must also state—
 - (a) whether or not there are in force in respect of the financial year during which the statement is made arrangements falling within subsection (3); or
 - (b) if not, whether the company intends that such arrangements will be in force at some time during that financial year,and if there are, or it is intended that there will be, such arrangements in force the statement must describe those arrangements.
- (6) A description under subsection (5) must—
 - (a) include in particular the matters listed in subsection (4)(a), (b) and (c); and
 - (b) where the arrangements described are different from any arrangements described under subsection (2)(b), state the likely effect of those differences on the remuneration of each director of the company.
- (7) The statement required by subsection (2) must be made to the Authority in such manner as may be required by the Authority.
- (8) The statement required by subsection (2)—
 - (a) must be published by the company making the statement in such manner as it reasonably considers will secure adequate publicity for it; and
 - (b) may be published by the Authority in such manner as it may consider appropriate.
- (9) The duty of a company under this section applies in respect of any person who has at any time been a director of the company.
- (10) In this section—

“activities subject to price regulation”, in relation to any company, are activities for which—

 - (a) a maximum price which may be charged by the company, or a method for calculating such a maximum price; or
 - (b) a maximum revenue which may be received by the company, or a method for calculating such a maximum revenue,

is determined by or under the licence granted under this Part;

[^{F411}“company” means a company (as defined in section 1(1) of the Companies Act 2006) that—

 - (a) is limited by shares, and
 - (b) has its registered office in Great Britain.]

“remuneration” in relation to a director of a company—

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- (a) means any form of payment, consideration or other benefit (including pension benefit), paid or due to or in respect of the director; and
 - (b) includes remuneration in respect of any of his services while a director of the company;
- “service standards” in relation to any company, means standards relating to the quality of service received by customers or potential customers of the company, including any such standards which are—
- (a) set by or under any conditions included in a licence granted under this Part;
 - (b) prescribed by the Authority in regulations made under section 33A and 33AA;
 - (c) determined by the Authority under section 33B or 33BA; or
 - (d) set or agreed to by the company.]

Textual Amendments

F410 S. 33F and cross heading inserted (1.10.2001) by 2000 c. 27, s. 97; S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

F411 Words in s. 33F(10) substituted (1.10.2009) by The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009 (S.I. 2009/1941), art. 1(2), Sch. 1 para. 70(2) (with art. 10)

Other functions of Director

34 General functions.

- (1) It shall be the duty of the Director, so far as it appears to him practicable from time to time, to keep under review the carrying on both within and outside Great Britain of
- [^{F412}(a) such activities as are mentioned in section 5(1) above [^{F413}or subsection (2A) below] ; and
 - (b) activities ancillary to such activities (including in particular the storage of gas, the provision and reading of meters and the provision of pre-payment facilities).]
- (2) It shall also be the duty of the Director, so far as it appears to him practicable from time to time, to collect information with respect to
- [^{F414}(a) the carrying on of such activities as are mentioned in subsection (1) above; and
 - (b) the persons by whom such activities are carried on,]
- with a view to his becoming aware of, and ascertaining the circumstances relating to, matters with respect to which his functions are exercisable.
- [^{F415}(2A) The activities referred to in subsection (1)(a) are the matters specified in the following provisions of the Gas Directive as matters to be monitored—
- (a) Article 26(3);
 - (b) Article 41(1)(g) to (k), (m), (n) and (r) to (t);
 - (c) where a person is certified on the ground mentioned in subsection (5) of section 8G, Article 41(3)(a) and (b);
 - (d) where a person is certified on the ground mentioned in subsection (6) of section 8G, Article 41(5)(b) and (d); and

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- (e) Article 41(9).]
- (3) The Secretary of State may give general directions indicating—
- (a) considerations to which the Director should have particular regard in determining the priority in which matters are to be brought under review in the performance of his duty under subsection (1) or (2) above; and
 - (b) considerations to which, in cases where it appears to the Director that any of his functions are exercisable, he should have particular regard in determining whether to exercise those functions.
- (4) It shall be the duty of the Director, where either he considers it expedient or he is requested by the Secretary of State or [^{F416}the Office of Fair Trading] to do so, to give information, advice and assistance to the Secretary of State or [^{F417}the Office of Fair Trading] with respect to any matter in respect of which any function of the Director [^{F418}or the Secretary of State.] is exercisable.
- [^{F419}(5) The Authority shall have power to make agreements with the Health and Safety Executive for the Authority to perform on behalf of that Executive (with or without payment) any of the functions of that Executive.]

Textual Amendments

- F412** S. 34(1)(a)(b) substituted for words in s. 34(1) (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 40(1)**; S.I. 1996/218, **art. 2**
- F413** Words in s. 34(1)(a) inserted (10.11.2011) by **The Electricity and Gas (Internal Markets) Regulations 2011** (S.I. 2011/2704), **regs. 1(1), 30(2)**
- F414** S. 34(2)(a)(b) substituted for words in s. 34(2) (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 40(2)**; S.I. 1996/218, **art. 2**
- F415** S. 34(2A) inserted (10.11.2011) by **The Electricity and Gas (Internal Markets) Regulations 2011** (S.I. 2011/2704), **regs. 1(1), 30(3)**
- F416** Words in s. 34(4) substituted (1.4.2003) by **Enterprise Act 2002** (c. 40), s. 279, **Sch. 25 para. 15(8)(a)**; S.I. 2003/766, **art. 2, Sch.** (with **art. 3**) (as amended (20.7.2007) by S.I. 2007/1846, reg. 3(2), Sch.)
- F417** Words in s. 34(4) substituted (1.4.2003) by **Enterprise Act 2002** (c. 40), s. 279, **Sch. 25 para. 15(8)(b)**; S.I. 2003/766, **art. 2, Sch.** (with **art. 3**) (as amended (20.7.2007) by S.I. 2007/1846, reg. 3(2), Sch.)
- F418** Words in s. 34(4) inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 40(3)**; S.I. 1996/218, **art. 2**
- F419** S. 34(5) substituted (1.4.2008) by **The Legislative Reform (Health and Safety Executive) Order 2008** (S.I. 2008/960), **art. 1, Sch. 3** (with **art. 21, Sch. 2**)

[^{F420}34A Power to require information etc for the purpose of monitoring

- (1) The Authority may, for the purpose of performing its duty under subsection (1)(a) or (b) of section 34 in relation to activities falling within subsection (2A) of that section, serve a notice under subsection (2) on any regulated person.
- (2) A notice under this subsection is a notice signed by the Authority which—
- (a) requires the person on whom it is served to produce, at a time and place specified in the notice, to the Authority any documents which are specified or described in the notice and are in that person's custody or under that person's control; or
 - (b) requires that person, if that person is carrying on a business, to furnish, at a time and place and in the form and manner specified in the notice, to the Authority such information as may be specified or described in the notice.

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- (3) In paragraphs (a) and (b) of subsection (2) the reference to the Authority includes a reference to a person appointed by the Authority for the purpose of exercising the power in question.
- (4) Sections 28 to 30 have effect in relation to a person on whom a notice is served under subsection (2) as if references in those sections to a relevant requirement (other than the reference in section 28(8)) included references to a requirement of that notice.
- (5) A person who intentionally alters, suppresses or destroys any document or record of information which that person has been required to produce by a notice under subsection (2) is liable—
 - (a) on summary conviction—
 - (i) in England and Wales, to a fine not exceeding the statutory maximum;
 - (ii) in Scotland, to a fine not exceeding £5,000; or
 - (b) on conviction on indictment, to a fine.
- (6) The definition of “regulated person” in section 28(8) applies for the purposes of this section.]

Textual Amendments

F420 S. 34A inserted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **30(4)**

[^{F421}**35** Publication of advice and information about consumer matters.

- (1) If it appears to the Authority that the publication of any advice and information would promote the interests of consumers in relation to gas conveyed through pipes, the Authority may publish that advice or information in such manner as it thinks fit.
- (2) In publishing advice or information under this section the Authority shall have regard to the need for excluding, so far as that is practicable, any matter which relates to the affairs of a particular individual or body of persons (corporate or unincorporate), where publication of that matter would or might, in the opinion of the Authority, seriously and prejudicially affect the interests of that individual or body.
- (3) Before deciding to publish under this section any advice or information relating to a particular individual or body of persons the Authority shall consult that individual or body.

[The Office of Fair Trading shall consult the Authority before publishing under ^{F422}(3A) section 6 of the Enterprise Act 2002 any information or advice which may be published by the Authority under this section.]

- (4) In this section “consumers” includes both existing and future consumers.]

Textual Amendments

F421 S. 35 substituted (20.12.2000) by [2000 c. 27, s. 6\(1\)](#); [S.I. 2000/3343](#), art. 2, **Sch.** (subject to transitional provisions in [arts. 3-15](#))

F422 S. 35(3A) inserted (1.4.2003) by [Enterprise Act 2002 \(c. 40\), s. 279, Sch. 25 para. 15\(9\)](#); [S.I. 2003/766](#), art. 2, **Sch.** (with [art. 3](#)) (as amended (20.7.2007) by [S.I. 2007/1846](#), reg. 3(2), **Sch.**)

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36 Keeping of register.

- [^{F423}(1) The Director shall keep a register of notifications and directions under [^{F424}paragraph 5 of Schedule 2A to this Act], exemptions granted under section 6A above to particular persons, [^{F425}licences under section 7[^{F426}, 7ZA] or 7A] above [^{F427}, final and provisional orders and penalties imposed under section 30A(1)] at such premises and in such form as he may determine.
- (2) Subject to [^{F428}subsection (2A) and to] any direction given under subsection (3) below, the Director shall cause to be entered in the register the provisions of—
- (a) every notification or direction under [^{F429}paragraph 5 of Schedule 2A to this Act];
 - (b) every exemption granted under section 6A above to a particular person and every revocation of such exemption;
 - (c) every revocation ^{F430}... of an exemption granted under that section to persons of a particular class [^{F431}and every direction under [^{F432}subsection (7)] of that section];
 - (d) every [^{F433}licence under section 7[^{F434}, 7ZA] or 7A] above and every modification or revocation of, and every direction or consent given or determination made under, [^{F435}such a licence]; and
 - (e) every final or provisional order, every revocation of such an order and every notice under section 28(6) above][^{F436}; and.
 - (f) every notice under section 30A(5).]
- [^{F437}(2A) The Authority may enter the provisions of anything in the register in a manner that excludes, so far as practicable, so much of the details of those provisions as it considers it appropriate to exclude for the purpose of maintaining the confidentiality of—
- (a) matters relating to the affairs of an individual the publication of which would or might, in its opinion, seriously and prejudicially affect the interests of that individual; and
 - (b) matters relating specifically to the affairs of a particular body of persons the publication of which would or might, in the Authority’s opinion, seriously and prejudicially affect the interests of that body.]
- (3) If it appears to the Secretary of State that the entry of any provision in the register would be against the public interest or the commercial interests of any person, he may direct the Director not to enter that provision in the register.
- (4) The register shall be open to public inspection during such hours and subject to payment of such fee as may be prescribed by an order made by the Secretary of State.
- (5) Any person may, on payment of such fee as may be prescribed by an order so made, require the Director to supply to him a copy of or extract from any part of the register, certified by the Director to be a true copy or extract.
- (6) Any sums received by the Director under this section shall be paid into the Consolidated Fund.
- (7) In this section “final order” and “provisional order” have the same meanings as in section 28 above.

Textual Amendments

F423 S. 36(1)(2) substituted (31.10.1994) by 1993 c. 1, s. 3; S.I. 1994/2568, art. 2

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- F424** Words in s. 36(1) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 42(1)(a)**; S.I. 1996/218, **art. 2**
- F425** Words in s. 36(1) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 42(1)(b)**; S.I. 1996/218, **art. 2**
- F426** Words in s. 36(1) inserted (1.12.2004) by Energy Act 2004 (c. 20), **ss. 149(8)(b)**, 198(2); S.I. 2004/2575, **art. 2(2)**, **Sch. 2**
- F427** Words in s. 36(1) substituted (1.10.2001) by 2000 c. 27, **s. 95(4)(a)**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F428** Words in s. 36(2) inserted (5.10.2004) by Energy Act 2004 (c. 20), **ss. 183(2)**, 198(2); S.I. 2004/2575, **art. 2(1)**, **Sch. 1**
- F429** Words in s. 36(2) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 42(2)(a)**; S.I. 1996/218, **art. 2**
- F430** Words in s. 36(2)(c) omitted (1.10.2001) by virtue of 2000 c. 27, s. 108, **Sch. 6**, Pt. I para. 16(a); S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20) and are repealed (*prosp.*) by 2000 c. 27, **ss. 108**, 110(2), **Sch. 8**
- F431** Words in s. 36(2) inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 42(2)(b)**; S.I. 1996/218, **art. 2**
- F432** Words in s. 36(2)(c) substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6**, Pt. I para. 16(b); S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F433** Words in s. 36(2) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 42(2)(c)**; S.I. 1996/218, **art. 2**
- F434** Words in s. 36(2)(d) inserted (1.12.2004) by Energy Act 2004 (c. 20), **ss. 149(8)(b)**, 198(2); S.I. 2004/2575, **art. 2(2)**, **Sch. 2**
- F435** Words in s. 36(2) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 42(2)(d)**; S.I. 1996/218, **art. 2**
- F436** S. 36(2)(f) and word “and” immediately preceding it inserted (1.10.2001) by 2000 c. 27, **s. 95(4)(b)**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F437** S. 36(2A) inserted (5.10.2004) by Energy Act 2004 (c. 20), **ss. 183(1)**, 198(2); S.I. 2004/2575, **art. 2(1)**, **Sch. 1**

[36A ^{F438} **Functions with respect to competition.**

^{F439}(1)

[^{F440}(2) The functions to which subsection (2A) below applies shall be concurrent functions of the Authority and the Office of Fair Trading.

(2A) This subsection applies to the functions of the Office of Fair Trading under Part 4 of the Enterprise Act 2002 (other than sections 166 and 171) so far as relating to commercial activities connected with the carrying on of activities to which this subsection applies.

(2B) So far as necessary for the purposes of, or in connection with, subsections (2) and (2A) above, references in Part 4 of the Act of 2002 to the Office of Fair Trading (including references in provisions of that Act applied by that Part) shall be construed as including references to the Authority (except in sections 166 and 171 of that Act and in any other provision of that Act where the context otherwise requires).]

[^{F441}[^{F442}(3) The Authority shall be entitled to exercise, concurrently with the Office of Fair Trading, the functions of the Office of Fair Trading under the provisions of Part 1 of the Competition Act 1998 (other than sections 31D(1) to (6), 38(1) to (6) and 51), so far as relating to—

(a) agreements, decisions or concerted practices of the kind mentioned in section 2(1) of that Act,

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- (b) conduct of the kind mentioned in section 18(1) of that Act,
- (c) agreements, decisions or concerted practices of the kind mentioned in Article 81(1) of the treaty establishing the European Community, or
- (d) conduct which amounts to abuse of the kind mentioned in Article 82 of the treaty establishing the European Community,

which relate to the carrying on of activities to which this subsection applies.]

(3A) So far as necessary for the purposes of, or in connection with, the provisions of subsection (3) above, references in Part I of the Competition Act 1998 to [^{F443}the Office of Fair Trading] are to be read as including a reference to the Director ([^{F444}except in sections 31D(1) to (6), 38(1) to (6)] , 51, 52(6) and (8) and 54 of that Act and in any other provision of that Act where the context otherwise requires).]

(4) Subsections [^{F445}(2A)] and (3) above apply to—

- (a) such activities as are mentioned in section 5(1) above; and
- (b) activities ancillary to such activities as are so mentioned (including in particular the storage of gas, the provision and reading of meters and the provision of pre-payment facilities).

[^{F446}(5) Before the Office of Fair Trading or the Authority first exercises in relation to any matter functions which are exercisable concurrently by virtue of subsection (2) above, it shall consult the other.

(5A) Neither the Office of Fair Trading nor the Authority shall exercise in relation to any matter functions which are exercisable concurrently by virtue of subsection (2) above if functions which are so exercisable have been exercised in relation to that matter by the other.]

(6) It shall be the duty of the Director, for the purpose of assisting the [^{F447}Competition Commission] in carrying out an investigation on a reference made to them by the Director by virtue of subsection (2) [^{F448} . . . above, to give to the Commission—

- (a) any information which is in his possession and which relates to matters falling within the scope of the investigation and—
 - (i) is requested by the Commission for that purpose; or
 - (ii) is information which in his opinion it would be appropriate for that purpose to give to the Commission without any such request; and
- (b) any other assistance which the Commission may require and which it is within his power to give, in relation to any such matters,

and the Commission shall, for the purposes of carrying out any such investigation, take into account any information given to them for that purpose under this subsection.

(7) If any question arises as to whether subsection (2) or (3) above applies to any particular case, that question shall be referred to and determined by the Secretary of State; and no objection shall be taken to anything done under—

(a) [^{F449}Part 4 of the Enterprise Act 2002] ; or

[^{F450}(b) Part I of the Competition Act 1998 ([^{F451}other than sections 31D(1) to (6), 38(1) to (6)] and 51),]

by or in relation to the Director on the ground that it should have been done by or in relation to [^{F452}the Office of Fair Trading] .

[^{F453}(8) Section 117 of the Enterprise Act 2002 (offences of supplying false or misleading information) as applied by section 180 of that Act shall have effect so far as relating to functions exercisable by the Authority by virtue of subsection (2) above as if the

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references in section 117(1)(a) and (2) to the Office of Fair Trading included references to the Authority.]

^{F454}(9)

- (10) Any reference in this Part to functions of the Director under this Part, or to functions assigned to him by or under this Part, includes a reference to functions [^{F455}[^{F456}exercisable by the Authority by virtue of subsection (2) or (3) above] .].

Textual Amendments

- F438** S. 36A inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 43**; S.I. 1996/218, **art. 2**
- F439** S. 36A(1) repealed (1.4.2003) by Enterprise Act 2002 (c. 40), s. 279, Sch. 25 para. 15(10)(a), **Sch. 26**; S.I. 2003/766, **art. 2, Sch.** (with **art. 3**) (as amended (20.7.2007) by S.I. 2007/1846, reg. 3(2), Sch.)
- F440** Ss. 36A(2)-(2B) substituted for s. 36A(2) (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, **Sch. 9 para. 17(2)**; S.I. 2003/1397, **art. 2(1), Sch.**
- F441** S. 36A(3) substituted (1.5.2004) by The Competition Act 1998 and Other Enactments (Amendment) Regulations 2004 (S.I. 2004/1261), reg. 1(a), **Sch. 2 para. 1(2)(a)**
- F442** S. 36A(3)(3A) substituted for s. 36A(3) (26.11.1998 for specified purposes and otherwise 1.3.2000) by 1998 c. 41, s. 66(5), **Sch. 10 Pt. II para. 3(5)** (with s. 73); S.I. 1998/2750, **art. 2**; S.I. 2000/344, **art. 2 Sch.**
- F443** Words in s. 36A(3A) substituted (1.4.2003) by Enterprise Act 2002 (c. 40), s. 279, **Sch. 25 para. 15(10)(c)**; S.I. 2003/766, **art. 2, Sch.** (with **art. 3**) (as amended (20.7.2007) by S.I. 2007/1846, reg. 3(2), Sch.)
- F444** Words in s. 36A(3A) substituted (1.5.2004) by The Competition Act 1998 and Other Enactments (Amendment) Regulations 2004 (S.I. 2004/1261), reg. 1(a), **Sch. 2 para. 1(2)(b)**
- F445** Word in s. 36A(4) substituted (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, **Sch. 9 para. 17(3)**; S.I. 2003/1397, **art. 2(1), Sch.**
- F446** S. 36A(5)(5A) substituted for s. 36A(5) (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, **Sch. 9 para. 17(4)**; S.I. 2003/1397, **art. 2(1), Sch.**
- F447** Words in s. 36A(6)(8) substituted (1.4.1999) by S.I. 1999/506, **art. 20(b)**
- F448** Words in s. 36A(6) repealed (26.11.1998 for specified purposes and otherwise 1.3.2000) by 1998 c. 41, ss. 66(5), 74(3), **Sch. 10 Pt. II para. 3(7), Sch. 14 Pt. I** (with s. 73); S.I. 1998/2750, **art. 2**; S.I. 2000/344, **art. 2 Sch.**
- F449** Words in s. 36A(7)(a) substituted (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, **Sch. 9 para. 17(5)**; S.I. 2003/1397, **art. 2(1), Sch.**
- F450** S. 36A(7)(b) substituted (26.11.1998 for specified purposes and otherwise 1.3.2000) by 1998 c. 41, s. 66(5), **Sch. 10 Pt. II para. 3(8)** (with s. 73); S.I. 1998/2750, **art. 2**; S.I. 2000/344, **art. 2 Sch.**
- F451** Words in s. 36A(7)(b) substituted (1.5.2004) by The Competition Act 1998 and Other Enactments (Amendment) Regulations 2004 (S.I. 2004/1261), reg. 1(a), **Sch. 2 para. 1(2)(c)**
- F452** Words in s. 36A(7) substituted (1.4.2003) by Enterprise Act 2002 (c. 40), s. 279, **Sch. 25 para. 15(10)(d)**; S.I. 2003/766, **art. 2, Sch.** (with **art. 3**) (as amended (20.7.2007) by S.I. 2007/1846, reg. 3(2), Sch.)
- F453** S. 36A(8) substituted (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, **Sch. 9 para. 17(6)**; S.I. 2003/1397, **art. 2(1), Sch.**
- F454** S. 36A(9) repealed (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, Sch. 9 para. 17(7), **Sch. 26**; S.I. 2003/1397, **art. 2(1), Sch.**
- F455** Words in s. 36A(10) substituted (26.11.1998 for certain purposes and otherwise 1.3.2000) by 1998 c. 41, s. 66(5), **Sch. 10 Pt. II para. 3(11)** (with s. 73); S.I. 1998/2750, **art. 2**; S.I. 2000/344, **art. 2 Sch.**
- F456** Words in s. 36A(10) substituted (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, **Sch. 9 para. 17(8)**; S.I. 2003/1397, **art. 2(1), Sch.**

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Modifications etc. (not altering text)

C47 S. 36A(3) restricted (26.11.1998 for specified purposes, otherwise 1.3.2000) by 1998 c. 41, s. 66(5), **Sch. 10 Pt. II para. 3(1)** (with s. 73); S.I. 1998/2750, **art. 2**; S.I. 2000/344, **art. 2 Sch.**

[^{F457}**36B Functions with respect to gas measuring equipment etc.**

- (1) If and to the extent that the Secretary of State so directs, the functions of the Secretary of State under section 6 of the ^{M11}Weights and Measures Act 1985 (testing of standards and equipment) so far as relating to—
 - (a) any article used or proposed to be used as a standard of a unit of measurement in relation to gas;
 - (b) any measuring equipment, or other metrological equipment, for use in relation to gas; or
 - (c) any article for use in connection with any such equipment,shall be exercisable by the Director concurrently with the Secretary of State; and references in that section to the Secretary of State shall be construed accordingly.
- (2) Any sums received by the Director by virtue of this section shall be paid into the Consolidated Fund.]

Textual Amendments

F457 S. 36B inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 44**; S.I. 1996/218, **art. 2**

Marginal Citations

M11 1985 c.72.

[^{F458}**36C Power to direct a modification of the UNC**

- (1) The Authority may direct the operator of the gas National Transmission System to make a modification to which this section applies and which is specified in the direction to the Uniform Network Code.
- (2) This section applies to a modification—
 - (a) which relates to the arrangements contained in the Code in respect of a Gas Supply Emergency, and
 - (b) which the Authority considers is a market-based modification.
- (3) The Authority may give a direction under this section only if it considers that the modification will do either or both of the following—
 - (a) decrease the likelihood of a Gas Supply Emergency occurring;
 - (b) decrease the duration or severity of a Gas Supply Emergency which occurs.
- (4) In the exercise of the power under this section the Authority must have regard to the purposes of Standard Special Condition A11 of licences granted under section 7 of this Act.
- (5) For the purposes of subsection (2), a modification is “market-based” if it relates to the creation of financial incentives for gas shippers or gas transporters.

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- (6) Before giving a direction under this section the Authority must consult such persons as it considers appropriate.
- (7) In this section—
- “Gas Supply Emergency” and “National Transmission System” have the meaning given by the Uniform Network Code;
- “the Uniform Network Code” means the document of that title required to be prepared pursuant to Standard Special Condition A11 of licences granted under section 7 of this Act.]

Textual Amendments

F458 S. 36C inserted (18.10.2011) by [Energy Act 2011 \(c. 16\)](#), **ss. 81(1), 121(4)** (with s. 81(2))

[^{F459}37 Maximum prices for reselling gas.

- (1) The Director [^{F460}may] from time to time direct that the maximum prices at which gas supplied by [^{F460}authorised suppliers] may be resold—
- shall be such as may be specified in the direction; or
 - shall be calculated by such method and by reference to such matters as may be so specified,
- and shall publish directions under this section in such manner as in his opinion will secure adequate publicity for them.
- (2) A direction under this section may—
- require any person who resells gas supplied by a [^{F461}an authorised supplier] to furnish the purchaser with such information as may be specified or described in the direction; and
 - provide that, in the event of his failing to do so, the maximum price applicable to the resale shall be such as may be specified in the direction, or shall be reduced by such amount or such percentage as may be so specified.
- (3) Different directions may be given under this section as respects different classes of cases, which may be defined by reference to areas or any other relevant circumstances.
- (4) If any person resells any gas supplied by a [^{F461}an authorised supplier] at a price exceeding the maximum price determined by or under a direction under this section and applicable to the resale—
- the amount of the excess; and
 - if the direction so provides, interest on that amount at a rate specified or described in the direction,
- shall be recoverable by the purchaser.
- (5) Nothing in this section shall apply in relation to the resale of gas for use in a motor vehicle which is constructed or adapted to use gas as fuel for its propulsion.]

Textual Amendments

F459 S. 37 substituted (1.3.1996) by [1995 c. 45, s. 10\(1\)](#), **Sch. 3 para. 45**; S.I. 1996/218, **art. 2**

F460 Words in s. 37(1) substituted (1.10.2001) by [2000 c. 27, s. 102\(a\)](#); S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in [arts. 3-20](#))

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F461 Words in s. 37(2)(4) substituted (1.10.2001) by 2000 c. 27, s. 102(b); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

38 Power to require information etc.

- (1) Where it appears to the [F462 Authority] that a [F463 regulated person] may be contravening, or may have contravened, any relevant condition or requirement [F464 or may be failing, or may have failed, to achieve any standard of performance prescribed under section 33A or 33AA,], the [F462 Authority] may, for any purpose connected with the exercise of [F465 its functions under section 28 or 30A to 30F in relation to that matter, by notice in writing]—
- (a) require any person to produce, at a time and place specified in the notice, to the [F462 Authority] or to any person appointed by [F466 it] for the purpose, any documents which are specified or described in the notice and are in that person's custody or under his control; or
 - (b) require any person carrying on any business to furnish to the [F462 Authority] such information as may be specified or described in the notice, and specify the time, the manner and the form in which any such information is to be furnished;

F467 . . .

- [F468 (1A) Where a licence has been or is to be revoked or suspended, or has expired or is about to expire by effluxion of time, and it appears to the Director, having regard to the duties imposed by section [F469 4AA, 4AB or 4A], to be requisite or expedient to do so for any purpose connected with the revocation, suspension or expiry, the Director may, with the consent of the Secretary of State, by notice signed by him—
- (a) require the [F463 regulated person] to produce, at a time and place specified in the notice, to the Director, or to any person so specified, any records which are specified or described in the notice and are in the licence holder's custody or under his control; or
 - (b) require the [F463 regulated person] to furnish to the Director, or to any person specified in the notice, such information as may be specified or described in the notice, and specify the time, the manner and the form in which any such information is to be furnished.
- (1B) No person shall be compelled for any such purpose as is mentioned in subsection (1) or (1A) above to produce any documents or records which he could not be compelled to produce in civil proceedings before the court or, in complying with any requirement for the furnishing of information, to give any information which he could not be compelled to give in evidence in such proceedings.]
- (2) A person who without reasonable excuse fails to do anything duly required of him by a notice under subsection (1) [F470 or (1A)] above shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.
- (3) A person who intentionally alters, suppresses or destroys any document [F471 or records] which he has been required by any such notice to produce shall be guilty of an offence and liable—
- (a) on summary conviction, to a fine not exceeding the statutory maximum;
 - (b) on conviction on indictment, to a fine.
- (4) If a person makes default in complying with a notice under subsection (1) [F470 or (1A)] above, the court may, on the application of the Director, make such order as the

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court thinks fit for requiring the default to be made good; and any such order may provide that all the costs or expenses of and incidental to the application shall be borne by the person in default or by any officers of a company or other association who are responsible for its default.

(5) In this section—

“relevant condition” and “relevant requirement” have the same meanings as in section 28 above;

“the court” has the same meaning as in section 30 above.

Textual Amendments

- F462** Words in s. 38(1) substituted (1.10.2001) by 2000 c. 27, s. 95(5)(a); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F463** Words in s. 38(1) substituted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), 37(4)(h)
- F464** Words in s. 38(1) substituted (1.10.2001) by 2000 c. 27, s. 95(5)(b); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F465** Words in s. 38(1) substituted (1.10.2001) by 2000 c. 27, s. 95(5)(c); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F466** Word in s. 38(1) substituted (1.10.2001) by 2000 c. 27, s. 95(5)(d); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F467** Words in s. 38(1) repealed (1.3.1996) by 1995 c. 45, ss. 10(1), 17(5), Sch. 3 para. 46(1)(b), Sch. 6; S.I. 1996/218, art. 2
- F468** S. 36(1A)(1B) inserted (1.3.1996) by 1995 c. 45, s. 10(1), Sch. 3 para. 46(2); S.I. 1996/218, art. 2
- F469** Words in s. 38(1A) substituted (20.12.2000) by 2000 c. 27, s. 108, Sch. 6 Pt. I para. 17(a); S.I. 2000/3343, art. 2, Sch. (subject to transitional provisions in arts. 3-15)
- F470** Words in s. 38(2)(4) inserted (1.3.1996) by 1995 c. 45, s. 10(1), Sch. 3 para. 46(3); S.I. 1996/218, art. 2
- F471** Words in s. 38(3) substituted (20.12.2000) by 2000 c. 27, s. 108, Sch. 6 Pt. I para. 17(b); S.I. 2000/3343, art. 2, Sch. (subject to transitional provisions in arts. 3-15)

[^{F472}38A Reasons for decisions.

- (1) This section applies to the following decisions of the Authority or the Secretary of State, namely—
- (a) the revocation of a licence;
 - (b) the modification of the conditions of a licence;
 - (c) the giving of any directions or consent in pursuance of a condition included in a licence by virtue of section 7B(5)(a)(i) or (ii);
 - (d) the determination of a question referred in pursuance of a condition included in a licence by virtue of section 7B(5)(a)(iii);
 - (e) the determination of a dispute referred under section 27A(1);
 - (f) the making of a final order, the making or confirmation of a provisional order or the revocation of a final order or of a provisional order which has been confirmed.
- (2) As soon as reasonably practicable after making such a decision the Authority or the Secretary of State shall publish a notice stating the reasons for the decision in such manner as it or he considers appropriate for the purpose of bringing the matters to which the notice relates to the attention of persons likely to be interested.

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- (3) The Authority shall send a copy of a notice published in respect of a decision mentioned in paragraph (a), (b), (c), (d) or (f) of subsection (1) to the licence holder to whose licence, or to whom, the decision relates.
- (4) In preparing a notice under subsection (2) the Authority or the Secretary of State shall have regard to the need for excluding, so far as that is practicable, any matter which relates to the affairs of a particular individual or body of persons (corporate or unincorporate), where it or he considers that publication of that matter would or might seriously and prejudicially affect the interests of that individual or body.
- (5) This section does not apply to a decision resulting in any provision which the Secretary of State has under section 36(3) directed the Authority not to enter in the register required to be kept under that section.
- (6) In this section “final order” and “provisional order” have the same meanings as in section 28.]

Textual Amendments

F472 S. 38A substituted (1.10.2001) by 2000 c. 27, s. 87; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)

^{F473}**39**

Textual Amendments

F473 S. 39 repealed (1.10.2001) by 2000 c. 27, ss. 5(10), 108, **Sch. 8**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)

Other functions of Council

^{F474}**40**

Textual Amendments

F474 S. 40 repealed (1.10.2001) by 2000 c. 27, s. 108, **Sch. 8**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)

^{F475}**41**

Textual Amendments

F475 S. 41 repealed (1.10.2001) by 2000 c. 27, s. 108, **Sch. 8**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)

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[^{F476} Adjustment of charges]

Textual Amendments

F476 Ss. 41A, 41B and cross-heading inserted (1.10.2001) by 2000 c. 27, s. 98; S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

^{F477} **41A Adjustment of charges to help disadvantaged groups of customers.**

Textual Amendments

F477 S. 41B omitted (8.6.2010) by virtue of Energy Act 2010 (c. 27), s. 38(3), Sch. para. 3

^{F477} **41B Orders: supplementary.**

Textual Amendments

F477 S. 41B omitted (8.6.2010) by virtue of Energy Act 2010 (c. 27), s. 38(3), Sch. para. 3

[^{F478} Alteration of activities requiring licence]

Textual Amendments

F478 Ss. 41C-41H and cross-heading inserted (1.10.2001) by 2000 c. 27, s. 88 (with s. 104(1)(2)(6)); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

41C [^{F479} **Power to alter activities requiring licence.**]

- (1) The Secretary of State may by order provide—
 - (a) that specified activities are to become licensable activities; or
 - (b) that specified activities are to cease to be licensable activities.
- (2) For the purposes of this Part activities are licensable activities if undertaking them without the authority of a licence or exemption constitutes an offence under section 5(1).
- (3) An order under this section may make consequential, transitional, incidental or supplementary provision including—
 - (a) amendments (or repeals) in any provision of this Act or any other enactment; and
 - (b) provision modifying any standard conditions of licences or (in the case of an order under subsection (1)(a)) provision determining the conditions which are to be standard conditions for the purposes of licences authorising the undertaking of activities which are to become licensable activities.

Status: Point in time view as at 21/03/2012.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 09 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (4) An order under this section may only provide for activities to become licensable activities if they are activities connected with—
- (a) the conveyance of gas through pipes to premises or to pipe-line systems operated by gas transporters;
 - ^{F480}(aa) participation in the operation of a gas interconnector;
 - (b) the supply to premises of gas conveyed through pipes; or
 - (c) arranging with gas transporters for gas to be introduced into, conveyed by means of or taken out of pipe-line systems operated by the gas transporters.
- (5) An order under this section providing for activities to become licensable activities may only be made on the application of the Authority made in accordance with section 41D.
- (6) An order under this section providing for activities to cease to be licensable activities may be made either—
- (a) on the application of the Authority made in accordance with section 41G; or
 - (b) following consultation by the Secretary of State in accordance with section 41H.
- (7) An order under this section may provide that it is to remain in force only for a period specified in the order.
- (8) An order shall not be made under this section unless a draft of the statutory instrument containing it has been laid before, and approved by a resolution of, each House of Parliament.

Textual Amendments

F479 Ss. 41C-41H and cross-heading inserted (1.10.2001) by 2000 c. 27, s. 88 (with s. 104(1)(2)(6)); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

F480 S. 41C(4)(aa) inserted (14.8.2006) by Energy Act 2004 (c. 20), ss. 149(10), 198(2); S.I. 2006/1964, art. 2, Sch.

^{F481} 41D Application by Authority for order including new activities.

- (1) If the Authority proposes to make an application for an order providing for activities to become licensable activities, it shall give notice—
- (a) stating that it proposes to make an application for an order providing for the activities to become licensable activities;
 - (b) setting out the conditions which it would expect such an order to determine to be standard conditions for the purposes of licences authorising the undertaking of the activities and any other conditions which it would expect to be included in such licences; and
 - (c) specifying a reasonable period (not being less than 28 days from the date of publication of the notice) within which representations or objections may be made with respect to the proposal,
- and shall consider any representations or objections which are duly made and not withdrawn.
- (2) The notice shall be given by serving a copy on the Council and by publishing it in such manner as the Authority considers appropriate for bringing it to the attention of—

Status: Point in time view as at 21/03/2012.

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- (a) persons appearing to it to be carrying on, or be intending to carry on, the activities; and
 - (b) any other persons appearing to it to be likely to be affected by an order providing for the activities to become licensable activities.
- (3) If an objection has been duly made (and not withdrawn) by a person who is carrying on or intends to carry on the activities, the Authority shall make a reference to the Competition Commission under section 41E before making the application.
- (4) In any other case where the Authority considers it appropriate to make a reference to the Commission under section 41E before making the application, the Authority may make such a reference.
- (5) If a reference is made to the Commission, the application shall not be made unless the Commission has reported on the reference that the fact that the activities to which the application relates are not licensable activities operates, or may be expected to operate, against the public interest.
- (6) The application shall set out—
- (a) the activities which the Authority considers should become licensable activities; and
 - (b) the conditions which the Authority would expect to be determined to be standard conditions for the purposes of licences authorising the undertaking of the activities in question and any other conditions which the Authority would expect to be included in such licences.]

Textual Amendments

F481 Ss. 41C-41H and cross-heading inserted (1.10.2001) by 2000 c. 27, s. 88 (with s. 104(1)(2)(6)); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

[^{F482} 41E References to Competition Commission.

- (1) A reference to the Competition Commission under this section shall require the Commission to investigate and report on whether the fact that the activities specified in the reference are not licensable activities operates, or may be expected to operate, against the public interest.
- (2) The Authority may, at any time, by notice given to the Commission vary the reference by adding to the activities specified in the reference or by excluding from the reference some of the activities so specified; and on receipt of such notice the Commission shall give effect to the variation.
- (3) The Authority shall specify in the reference, or a variation of the reference, for the purpose of assisting the Commission in carrying out the investigation on the reference—
- (a) the conditions which the Authority would expect to be determined to be standard conditions for the purposes of licences authorising the undertaking of the activities specified in the reference and any other conditions which the Authority would expect to be included in such licences; and
 - (b) any effects adverse to the public interest which, in its opinion, the fact that the activities so specified are not licensable activities has or may be expected to have.

Status: Point in time view as at 21/03/2012.

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- (4) As soon as practicable after making the reference, or a variation of the reference, the Authority shall serve a copy of it on the Council and publish particulars of it in such manner as the Authority considers appropriate for bringing it to the attention of—
- (a) persons appearing to the Authority to be carrying on, or be intending to carry on, the activities specified in it; and
 - (b) any other persons appearing to the Authority to be likely to be affected by it.
- (5) The Authority shall, for the purpose of assisting the Commission in carrying out the investigation on the reference, give to the Commission—
- (a) any information which is in its possession and which relates to matters falling within the scope of the investigation, and which is either requested by the Commission for that purpose or is information which in its opinion it would be appropriate for that purpose to give to the Commission without any such request; and
 - (b) any other assistance which the Commission may require, and which it is within its power to give, in relation to any such matters,
- and the Commission shall take account of the information for the purpose of carrying out the investigation.
- (6) In determining for the purposes of this section whether the fact that particular activities are not licensable activities operates, or may be expected to operate, against the public interest, the Commission shall have regard to—
- (a) the matters referred to in section 4AA;
 - (b) any social or environmental policies set out or referred to in guidance issued under section 4AB; and
 - (c) any advice given by [^{F483}the Health and Safety Executive] under section 4A (advice about health and safety in relation to gas).

F484(7)

F484(8)]

Textual Amendments

F482 Ss. 41C-41H and cross-heading inserted (1.10.2001) by 2000 c. 27, s. 88 (with s. 104(1)(2)(6)); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

F483 Words in s. 41E(6)(c) substituted (1.4.2008) by The Legislative Reform (Health and Safety Executive) Order 2008 (S.I. 2008/960), art. 1, Sch. 3 (with art. 21, Sch. 2)

F484 S. 41E(7)(8) repealed (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, Sch. 25 para. 15(11), Sch. 26; S.I. 2003/1397, art. 2(1), Sch. (with art. 8)

[^{F485}41E] References under section 41E: time limits

- (1) Every reference under section 41E above shall specify a period (not longer than six months beginning with the date of the reference) within which a report on the reference is to be made.
- (2) A report of the Competition Commission on a reference under section 41E above shall not have effect (in particular for the purposes of section 41D(5) above) unless the report is made before the end of the period specified in the reference or such further period (if any) as may be allowed by the Authority under subsection (3) below.

Status: Point in time view as at 21/03/2012.

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- (3) The Authority may, if it has received representations on the subject from the Competition Commission and is satisfied that there are special reasons why the report cannot be made within the period specified in the reference, extend that period by no more than six months.
- (4) No more than one extension is possible under subsection (3) above in relation to the same reference.
- (5) The Authority shall publish an extension under subsection (3) above in such manner as it considers appropriate for the purpose of bringing it to the attention of persons likely to be affected by it.]

Textual Amendments

F485 S. 41EA, 41EB inserted (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, Sch. 25 para. 15(12); S.I. 2003/1397, art. 2(1), Sch. (with art. 8)

[^{F485}41E]References under section 41E: application of Enterprise Act 2002

- (1) The following sections of Part 3 of the Enterprise Act 2002 shall apply, with the modifications mentioned in subsections (2) and (3) below, for the purposes of references under section 41E above as they apply for the purposes of references under that Part—
 - (a) section 109 (attendance of witnesses and production of documents etc.);
 - (b) section 110 (enforcement of powers under section 109: general);
 - (c) section 111 (penalties);
 - (d) section 112 (penalties: main procedural requirements);
 - (e) section 113 (payments and interest by instalments);
 - (f) section 114 (appeals in relation to penalties);
 - (g) section 115 (recovery of penalties); and
 - (h) section 116 (statement of policy).
- (2) Section 110 shall, in its application by virtue of subsection (1) above, have effect as if—
 - (a) subsection (2) were omitted; and
 - (b) in subsection (9) the words from “or section” to “section 65(3)” were omitted.
- (3) Section 111(5)(b)(ii) shall, in its application by virtue of subsection (1) above, have effect as if—
 - (a) for the words “published (or, in the case of a report under section 50 or 65, given)” there were substituted “made”;
 - (b) for the words “published (or given)”, in both places where they appear, there were substituted “made”; and
 - (c) the words “by this Part” were omitted.
- (4) Section 117 of the Enterprise Act 2002 (false or misleading information) shall apply in relation to functions of the Competition Commission in connection with references under section 41E above as it applies in relation to its functions under Part 3 of that Act but as if, in subsections (1)(a) and (2), the words [^{F486}“the OFT, OFCOM,”] and “or the Secretary of State” were omitted.

Status: Point in time view as at 21/03/2012.

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- (5) Provisions of Part 3 of the Enterprise Act 2002 which have effect for the purposes of sections 109 to 117 of that Act (including, in particular, provisions relating to offences and the making of orders) shall, for the purposes of the application of those sections by virtue of subsection (1) or (4) above, have effect in relation to those sections as applied by virtue of those subsections.
- (6) Accordingly, corresponding provisions of this Act shall not have effect in relation to those sections as applied by virtue of those subsections.]

Textual Amendments

- F485** S. 41EA, 41EB inserted (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, Sch. 25 para. 15(12); S.I. 2003/1397, art. 2(1), Sch. (with art. 8)
- F486** Words in s. 41EB(4) substituted (29.12.2003) by Communications Act 2003 (c. 21), s. 411(2), Sch. 16 para. 2 (with Sch. 18); S.I. 2003/3142, art. 3(1), Sch. 1 (with art. 11)

[^{F487} 41F Reports on references.

- (1) In making a report on a reference under section 41E, the Competition Commission shall include in the report definite conclusions on whether the fact that the activities specified in the reference (or the reference as varied) are not licensable activities operates, or may be expected to operate, against the public interest.
- (2) The Commission shall also include in the report such an account of its reasons for those conclusions as in its opinion is expedient for facilitating proper understanding of the questions raised by the reference and of its conclusions.
- (3) Where the Commission concludes that the fact that particular activities are not licensable activities operates, or may be expected to operate, against the public interest, it shall specify in the report—
 - (a) the effects adverse to the public interest which that fact has or may be expected to have; and
 - (b) any modifications to the conditions specified in the reference in accordance with section 41E(3)(a) which they consider appropriate.

[For the purposes of section 41D(5), a conclusion contained in a report of the
^{F488}(3A) Competition Commission is to be disregarded if the conclusion is not that of at least two-thirds of the members of the group constituted in connection with the reference concerned in pursuance of paragraph 15 of Schedule 7 to the Competition Act 1998.

(3B) If a member of a group so constituted disagrees with any conclusions contained in a report made on a reference under section 41E as the conclusions of the Competition Commission, the report shall, if the member so wishes, include a statement of his disagreement and of his reasons for disagreeing.]

[^{F489}(4) For the purposes of the law relating to defamation, absolute privilege attaches to any report made by the Competition Commission on a reference under section 41E.

(4A) In making any report on a reference under section 41E the Competition Commission must have regard to the following considerations before disclosing any information.

Status: Point in time view as at 21/03/2012.

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- (4B) The first consideration is the need to exclude from disclosure (so far as practicable) any information whose disclosure the Competition Commission thinks is contrary to the public interest.
- (4C) The second consideration is the need to exclude from disclosure (so far as practicable)
- (a) commercial information whose disclosure the Competition Commission thinks might significantly harm the legitimate business interests of the undertaking to which it relates, or
 - (b) information relating to the private affairs of an individual whose disclosure the Competition Commission thinks might significantly harm the individual's interests.
- (4D) The third consideration is the extent to which the disclosure of the information mentioned in subsection (4C)(a) or (b) is necessary for the purposes of the report.]
- (5) A report of the Commission on a reference under section 41E shall be made to the Authority.
- (6) On receiving the report, the Authority shall send a copy of it to the Secretary of State.
- (7) Subject to subsection (8), the Authority shall, not less than 14 days after the copy is received by the Secretary of State, send another copy to the Council and publish that other copy in such manner as the Authority considers appropriate for bringing the report to the attention of persons likely to be affected by it.
- (8) If it appears to the Secretary of State that the publication of any matter in the report would be against the public interest or the commercial interests of any person, he may, before the end of the period of 14 days mentioned in subsection (7), direct the Authority to exclude that matter from the copy of the report to be sent to the Council and published under that subsection.]

Textual Amendments

- F487** Ss. 41C-41H and cross-heading inserted (1.10.2001) by [2000 c. 27, s. 88](#) (with [s. 104\(1\)\(2\)\(6\)](#)); [S.I. 2001/3266](#), [arts. 1\(2\), 2](#), [Sch.](#) (subject to transitional provisions in [arts. 3-20](#))
- F488** S. 41F(3A)(3B) inserted (20.6.2003) by [Enterprise Act 2002 \(c. 40\), s. 279, Sch. 25 para. 15\(13\)\(a\)](#); [S.I. 2003/1397, art. 2\(1\), Sch.](#) (with [art. 8](#))
- F489** Ss. 41F(4)-(4D) substituted for s. 41F(4) (20.6.2003) by [Enterprise Act 2002 \(c. 40\), s. 279, Sch. 25 para. 15\(13\)\(b\)](#); [S.I. 2003/1397, art. 2\(1\), Sch.](#) (with [art. 8](#))

[^{F490}41G Application by Authority for order excluding activities.

- (1) Before making an application for an order providing for activities to cease to be licensable activities the Authority shall give notice—
- (a) stating that it proposes to make an application for an order providing for the activities to cease to be licensable activities; and
 - (b) specifying a reasonable period (not being less than 28 days from the date of publication of the notice) within which representations or objections may be made with respect to the proposal,
- and shall consider any representations or objections duly made and not withdrawn.
- (2) The notice shall be given—

Status: Point in time view as at 21/03/2012.

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- (a) by serving a copy on the Secretary of State, the Health and Safety Executive and the Council; and
 - (b) by publishing it in such manner as the Authority considers appropriate for bringing it to the attention of persons likely to be affected by such an order.
- (3) An application under this section shall set out—
- (a) the activities which the Authority considers should cease to be licensable activities; and
 - (b) the Authority’s reasons for proposing that the order be made.]

Textual Amendments

F490 Ss. 41C-41H and cross-heading inserted (1.10.2001) by 2000 c. 27, s. 88 (with s. 104(1)(2)(6)); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

[^{F491}41H Consultation by Secretary of State about order excluding activities.

- (1) If the Secretary of State proposes to make an order providing for activities to cease to be licensable activities (otherwise than on an application by the Authority under section 41G), he shall give notice—
- (a) stating that he proposes to make an order providing for the activities to cease to be licensable activities; and
 - (b) specifying a reasonable period (not being less than 28 days from the date of publication of the notice) within which representations or objections may be made with respect to the proposal,
- and shall consider any representations or objections duly made (and not withdrawn).
- (2) The notice shall be given—
- (a) by serving a copy on the Authority, the Health and Safety Executive and the Council; and
 - (b) by publishing it in such manner as the Secretary of State considers appropriate for bringing it to the attention of persons likely to be affected by such an order.]

Textual Amendments

F491 Ss. 41C-41H and cross-heading inserted (1.10.2001) by 2000 c. 27, s. 88 (with s. 104(1)(2)(6)); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

[^{F492}41HA New licensable activities: smart meters

- (1) The Secretary of State may by order amend this Part so as to provide—
- (a) for one or more activities within subsection (3) to be added to the activities which are licensable activities, or
 - (b) where an order has previously been made under paragraph (a) in relation to an activity, for the activity to cease to be a licensable activity.
- (2) For the purposes of this Part activities are licensable activities if undertaking them without the authority of a licence or exemption constitutes an offence under section 5(1).

Status: Point in time view as at 21/03/2012.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 09 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (3) The activities within this subsection are activities connected with the provision, installation or operation of relevant meters, including the provision or installation of infrastructure, or the provision of services, in connection with the communication of information by or to such meters.
- (4) In this section—
 - (a) “relevant meter” means a meter of a kind prescribed by the order;
 - (b) a reference to a meter includes a reference to a visual display unit, or any other device, associated with or ancillary to a meter.
- (5) An order under this section may make consequential, transitional, incidental or supplementary provision, including—
 - (a) amendments (or repeals) in any provision of this Act or any other enactment;
 - (b) in the case of an order under subsection (1)(a), provision determining the conditions which are to be standard conditions for the purposes of licences authorising the undertaking of the activities;
 - (c) provision modifying any standard conditions of licences.
- (6) Without prejudice to the generality of subsections (1) and (5), an order under this section may also make provision—
 - (a) for licences to authorise the holder to carry out the licensable activities in any area, or only in an area specified in the licence;
 - (b) enabling the terms of the licence to be modified so as to extend or restrict the area in which the licence holder may carry on the licensable activities;
 - (c) specifying that a licence, and any modification of a licence, must be in writing;
 - (d) for a licence, if not previously revoked, to continue in force for such period as may be specified in or determined by or under the licence;
 - (e) conferring functions on the Secretary of State or the Authority.
- (7) An order under this section may provide that it is to remain in force only for the period specified in the order.

Textual Amendments

F492 Ss. 41HA-41HC inserted (26.11.2008) by [Energy Act 2008 \(c. 32\)](#), s. 110(1)(b), [Sch. 4 para. 1](#)

41HB Section 41HA: supplemental

- (1) Before making an order under section 41HA, the Secretary of State must consult—
 - (a) the Authority, and
 - (b) such other persons as the Secretary of State thinks appropriate.
- (2) The power to make such an order may not be exercised after ^{F493}1 November 2018.
- (3) An order under section 41HA may not be made unless a draft of the statutory instrument containing the order has been laid before, and approved by a resolution of, each House of Parliament.
- (4) Subsections (1) to (3) of section 47 apply in relation to orders under section 41HA as they apply in relation to regulations under this Part.

Status: Point in time view as at 21/03/2012.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 09 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Textual Amendments

F492 Ss. 41HA-41HC inserted (26.11.2008) by [Energy Act 2008 \(c. 32\)](#), s. 110(1)(b), [Sch. 4 para. 1](#)

F493 Words in s. 41HB(2) substituted (18.12.2011) by [Energy Act 2011 \(c. 16\)](#), [ss. 73\(8\)](#), 121(3)

41HC Competitive tenders for licences for new licensable activities

- (1) The Secretary of State may by regulations make provision for a determination on a competitive basis of the person to whom a licence in respect of new licensable activities is to be granted.
- (2) In this section “new licensable activities” means one or more activities which are the subject of an order under section 41HA(1)(a).
- (3) The regulations may—
 - (a) provide for the determination to be made by the Secretary of State or the Authority;
 - (b) provide, in prescribed cases, for the publication of a proposal to grant a licence in respect of the new licensable activities;
 - (c) provide for the inclusion in such a proposal of an invitation to apply for such a licence;
 - (d) impose conditions in relation to the making of an application for a licence;
 - (e) impose restrictions in relation to persons who may apply for a licence;
 - (f) impose requirements as to the period within which applications must be made;
 - (g) make provision for regulating the manner in which applications are to be considered or determined;
 - (h) authorise or require the Secretary of State or the Authority, when determining to whom a licence is to be granted, to have regard to the person's suitability for being granted both the licence and an electricity licence;
 - (i) confer on the Authority or the Secretary of State functions in connection with tender exercises.
- (4) The regulations may also include provision—
 - (a) enabling the Secretary of State or the Authority to require prescribed persons, in relation to a tender exercise, to make payments, in the form and manner prescribed, in respect of tender costs;
 - (b) about the effect on a person's participation in the tender exercise of a failure to comply with a requirement imposed by virtue of paragraph (a), and the circumstances in which the tender exercise is to stop as a result of such a failure.
- (5) In this section—

“electricity licence” means a licence for an activity to which an order under section 56FA(1)(a) of the Electricity Act 1989 applies;

“prescribed” means prescribed in or determined under regulations under this section;

“tender costs”, in relation to a tender exercise, means any costs incurred or likely to be incurred by the Authority or the Secretary of State for the purposes of the exercise;

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“tender exercise” means the steps taken in accordance with regulations with a view to determining to whom a particular licence is to be granted.

- (6) Any sums received by the Secretary of State or the Authority under regulations made by virtue of this section are to be paid into the Consolidated Fund.]

Textual Amendments
F492 Ss. 41HA-41HC inserted (26.11.2008) by [Energy Act 2008 \(c. 32\)](#), s. 110(1)(b), [Sch. 4 para. 1](#)

[^{F494}41I Service by Authority of certain notices on Council.

Where the Authority is required by any provision of this Part to publish a notice or any other document, the Authority shall send a copy of the document to the Council.]

Textual Amendments
F494 S. 41I inserted (20.12.2000) by [2000 c. 27, s. 18\(5\)](#); [S.I. 2000/3343, art. 2](#), [Sch.](#) (subject to transitional provisions in [arts. 3-15](#))

Miscellaneous

^{F495}42

Textual Amendments
F495 S. 42 repealed (1.10.2001) by [2000 c. 27, s. 108, Sch. 8](#); [S.I. 2001/3266, arts. 1\(2\), 2](#), [Sch.](#) (subject to transitional provisions in [arts. 3-20](#))

43 Making of false statements etc.

- (1) If any person, in giving any information or making any application for the purposes of any provision of this Part, or of any regulation made under any provision of this Part, makes any statement which he knows to be false in a material particular, or recklessly makes any statement which is false in a material particular, he shall be guilty of an offence and liable—
 - (a) on summary conviction, to a fine not exceeding the statutory maximum;
 - (b) on conviction on indictment, to a fine.

[^{F496}(1A) Any person who with intent to deceive—

- (a) impersonates an officer of a [^{F497}gas transporter], gas supplier or gas shipper for the purpose of obtaining entry to any premises; or
- (b) for that purpose makes any statement or does any act calculated falsely to suggest that he is an officer, or an authorised officer, of such a transporter, supplier or shipper,

shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 4 on the standard scale.]

Status: Point in time view as at 21/03/2012.

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- (2) Proceedings for an offence under subsection (1) above shall not in England and Wales be instituted except by or with the consent of the Secretary of State or the Director of Public Prosecutions.

Textual Amendments

- F496** S. 43(1A) inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 51**; S.I. 1996/218, **art. 2**
F497 Words in s. 43 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, **arts. 1(2), 2, Sch.** (subject to transitional provisions in **arts. 3-20**)

44 Compensation to chairmen and officers of Consumers' Councils.

- (1) The Secretary of State may pay—
- (a) to the person who immediately before the appointed day is the chairman of the National Gas Consumers' Council; and
 - (b) to the persons who immediately before that day are the chairmen of the Regional Gas Consumers' Councils,
- such sums by way of compensation for loss of office or loss or diminution of pension rights as the Secretary of State may with the approval of the Treasury determine.
- (2) The Secretary of State may also pay to persons who immediately before the appointed day were officers of any of the Councils mentioned in subsection (1) above such sums by way of compensation for loss of employment, or loss or diminution of remuneration or pension rights, as the Secretary of State may with the approval of the Treasury determine.
- (3) Any sums required by the Secretary of State for the purposes of this section shall be paid out of money provided by Parliament.

Supplemental

45 Offences by bodies corporate.

- (1) Where a body corporate is guilty of an offence under this Part and that offence is proved to have been committed with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate or any person who was purporting to act in any such capacity he, as well as the body corporate, shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly.
- (2) Where the affairs of a body corporate are managed by its members, subsection (1) above shall apply in relation to the acts and defaults of a member in connection with his functions of management as if he were a director of the body corporate.

^{F498}**46 Service of notices etc.**

- (1) ^{F499} . . . Any notice or other document required or authorised to be given, delivered or served under this Part or regulations made under this Part may be given, delivered or served either—
- (a) by delivering it to the person to whom it is to be given or delivered or on whom it is to be served;

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- (b) by leaving it at the usual or last known place of abode of that person;
 - (c) by sending it in a prepaid letter addressed to that person at his usual or last known place of abode;
 - (d) in the case of a body corporate, by delivering it to the secretary or clerk of the body at their registered or principal office, or sending it in a prepaid letter addressed to the secretary or clerk of the body at that office; or
 - (e) if it is not practicable after reasonable inquiry to ascertain the name or address of a person to whom it should be given or delivered, or on whom it should be served, as being a person having any interest in premises, by addressing it to him by the description of the person having that interest in the premises (naming them) to which it relates and delivering it to some responsible person on the premises, or affixing it or a copy of it to some conspicuous part of the premises.
- [^{F500}(2) Without prejudice to subsection (1) above, where this subsection applies in relation to a [^{F501}gas transporter] or gas supplier, any notice to be given to or served on the transporter or supplier under—
- (a) any condition of his licence;
 - (b) any provision of Schedule 2B to this Act; or
 - (c) in the case of a transporter, section 10 above,
- may be given or served by delivering it at, or sending it in a prepaid letter to, an appropriate office of the transporter or supplier.
- (3) Subsection (2) above applies in relation to a [^{F501}gas transporter] if he divides [^{F502}any authorised area of his] into such areas as he thinks fit and—
- (a) in the case of each area, fixes offices of his which are to be appropriate offices in relation to notices relating to matters arising in that area; and
 - (b) publishes in each area, in such manner as he considers adequate, the addresses of the offices fixed by him for that area.
- (4) Subsection (2) above applies in relation to a gas supplier if he divides the premises specified in his licence into such areas as he thinks fit and—
- (a) in the case of each area, fixes offices of his which are to be appropriate offices in relation to notices relating to matters arising in that area;
 - (b) publishes in each area, in such manner as he considers adequate, the addresses of the offices fixed by him for that area; and
 - (c) endorses on every demand note for gas charges payable to him the addresses of the offices fixed for the area in question.
- (5) In this section references to premises specified in a licence include references to premises of a description, or situated in an area, so specified.]

Textual Amendments

- F498** S. 46 applied (29.9.2000) by 2000 c. 27, s. 106(4); S.I. 2000/2412, art. 2, Sch. (subject to transitional provisions in art. 3(2))
- F499** Words in s. 46(1) repealed (1.3.1996) by 1995 c. 45, ss. 10(1), 17(5), Sch. 3 para. 52(1), Sch. 6; S.I. 1996/218, art. 2
- F500** S. 46(2)-(5) substituted for s. 46(2)(3) (1.3.1996) by 1995 c. 45, s. 10(1), Sch. 3 para. 52(2); S.I. 1996/218, art. 2
- F501** Words in s. 46 substituted (1.10.2001) by 2000 c. 27, s. 108, Sch. 6 Pt. I para. 2(1); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

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F502 Words in s. 46(1) substituted (1.10.2001) by 2000 c. 27, s. 108, Sch. 6, Pt. I para. 18; S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

47 Provisions as to regulations.

- (1) Regulations made under any provision of this Part may provide for the determination of questions of fact or of law which may arise in giving effect to the regulations and for regulating (otherwise than in relation to any court proceedings) any matters relating to the practice and procedure to be followed in connection with the determination of such questions, including provision—
 - (a) as to the mode of proof of any matter;
 - (b) as to parties and their representation;
 - (c) for the right to appear [^{F503}before and be heard by] the Secretary of State, the Director and other authorities; and
 - (d) as to awarding costs [^{F504}or expenses] of proceedings for the determination of such questions, determining the amount thereof and the enforcement of awards thereof.
- (2) Regulations made under any provision of this Part which prescribe a period within which things are to be done may provide for extending the period so prescribed.
- (3) Regulations made under any provision of this Part may—
 - [^{F505}(aa) provide for anything falling to be determined under the regulations to be determined—
 - (i) by the Director or by such other person as may be prescribed by the regulations; and
 - (ii) in accordance with such procedure and by reference to such matters and to the opinion of such persons as may be so prescribed;]
 - (a) make different provision for different areas or in relation to different cases or different circumstances; and
 - (b) provide for such exceptions, limitations and conditions, and make such supplementary, incidental or transitional provision, as the Secretary of State [^{F506}or, as the case may be, the Director] considers necessary or expedient.
- (4) Regulations made under any provision of this Part may provide that any person contravening the regulations shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 5 on the standard scale.
- ^{F507}(5) Proceedings for an offence under any regulations made under any provision of this Part shall not in England and Wales be instituted except by or with the consent of the Secretary of State [^{F508}, the Director]] or the Director of Public Prosecutions.
- (6) In any proceedings against any person for an offence under any regulations made under any provision of this Part, it shall be a defence for that person to show—
 - (a) that he was prevented from complying with the regulations by circumstances not within his control; or
 - (b) that circumstances existed by reason of which compliance with the regulations would or might have involved danger to the public and that he took all such steps as it was reasonable for him to take both to prevent the circumstances from occurring and to prevent them from having that effect.

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- [^{F509}(7) Any power to make regulations conferred by this Part on the Secretary of State or the Authority shall be exercisable by statutory instrument.
- (8) Any statutory instrument containing regulations under this Part made by the Secretary of State shall, except as otherwise provided by this Act, be subject to annulment in pursuance of a resolution of either House of Parliament.]

Textual Amendments

- F503** Words in s. 47(1)(c) substituted (1.7.1992) by [Competition and Service \(Utilities\) Act 1992 \(c. 43\), s. 56\(6\), Sch. 1 para. 9\(2\)\(a\)](#); Commencement Order No. 1 made on 29.5.1992, art. 3, Sch. Pt. I.
- F504** Words in s. 47(1)(d) inserted (1.7.1992) by [Competition and Service \(Utilities\) Act 1992 \(c. 43\), s. 56\(6\), Sch. 1 para. 9\(2\)\(b\)](#); Commencement Order No. 1 made on 29.5.1992, art. 3, Sch. Pt. I.
- F505** S. 47(3)(aa) substituted (1.3.1996) by [1995 c. 45, s. 10\(1\), Sch. 3 para. 53\(1\)\(a\)](#); S.I. 1996/218, [art. 2](#)
- F506** Words in s. 47(3)(b) inserted (1.3.1996) by [1995 c. 45, s. 10\(1\), Sch. 3 para. 53\(1\)\(b\)](#); S.I. 1996/218, [art. 2](#)
- F507** S. 47(5) repealed (1.3.1996) so far as relating to proceedings for offences created by regulations made or having effect under section 16 of this Act so far as relating to standards affecting safety by [Offshore Safety Act 1992 \(c. 15\), s. 3\(3\)\(b\), Sch. 2](#); S.I. 1996/487, [art. 2](#)
- F508** Words in s. 47(5) substituted (1.3.1996) by [1995 c. 45, s. 10\(1\), Sch. 3 para. 53\(2\)](#); S.I. 1996/218, [art. 2](#)
- F509** S. 47(7)(8) substituted (20.12.2000) for sub (7) by [2000 c. 27, s. 100](#); S.I. 2000/3343, art. 2, [Sch.](#) (subject to transitional provisions in [arts. 3-15](#))

Modifications etc. (not altering text)

- C48** Power to repeal or modify s. 47(3)(4) conferred by Health and Safety at [Work etc. Act 1974 \(c. 37\), s. 15](#) (as amended (1.3.1996) by [Offshore Safety Act 1992 \(c. 15\), s. 2\(3\)\(b\)](#); S.I. 1996/487, [art. 2](#))

48 Interpretation of Part I and savings.

- (1) In this Part, unless the context otherwise requires—
- [^{F510}“the Agency” means the Agency for the Cooperation of Energy Regulators established under the [Agency Regulation](#);]
- [^{F510}“the Agency Regulation” means [Regulation 2009/713/EC of the European Parliament and of the Council of 13 July 2009 establishing an Agency for the Cooperation of Energy Regulators](#);]
- [^{F510}“associated undertaking”, in relation to a person (“person A”), means a person who—
- (a) has control of person A; or
- (b) is under the control of a person who controls person A,
- and sections 450 and 451(1) to (3) of the Corporation Tax Act 2010 (meaning of “control”) apply, with any necessary modifications, for the purposes of this definition as they apply for the purposes of Part 10 of that Act;]
- “authorised area”, in relation to a [^{F511}gas transporter], has the meaning given by section 7(2) above;
- [^{F512}“authorised supplier” means a person authorised by a licence or exemption to supply to any premises gas which has been conveyed to those premises through pipes;]

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[^{F513}“authorised transporter” means a person authorised by a licence or exemption to convey gas through pipes to any premises or to a pipe-line system operated by a gas transporter;]

“calorific value” has the meaning given by section 12(2) above;

^{F514}
.....

“declared calorific value” has the meaning given by section 12(2) above;

[^{F510}“designated regulatory authority” means an authority designated in accordance with Article 39 of the Gas Directive;]

[^{F510}“designated regulatory authority for Great Britain” means the authority designated by virtue of section 3A of the Utilities Act 2000;]

[^{F510}“distribution exemption holder” means a person who—

(a) is carrying on an activity such as is mentioned in section 5(1)(a), the whole or part of which is also an activity of distribution within the meaning given by Article 2(5) of the Gas Directive; and

(b) is authorised to carry on that activity by an exemption;]

“distribution main”, in relation to a [^{F511}gas transporter], means any main of the [^{F515}transporter] through which the [^{F515}transporter] is for the time being distributing gas and which is not being used only for the purpose of conveying gas in bulk;

^{F516}
.....

[^{F510}“exempt distribution system” means a distribution system operated or controlled by a distribution exemption holder who is covered by an exemption granted to it in relation to that system;]

[^{F517}“exemption” means an exemption under section 6A;]

“gas” means—

(a) any substance in a gaseous state which consists wholly or mainly of—

(i) methane, ethane, propane, butane, hydrogen or carbon monoxide;

(ii) a mixture of two or more of those gases; or

(iii) a combustible mixture of one or more of those gases and air; and

(b) any other substance in a gaseous state which is gaseous at a temperature of 15°C and a pressure of 1013·25 millibars and is specified in an order made by the Secretary of State;

[^{F510}“the Gas Directive” means [Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC](#);]

“gas fittings” means gas pipes and meters, and fittings, apparatus and appliances designed for use by consumers of gas for heating, lighting, motive power and other purposes for which gas can be used;

[^{F518}“gas interconnector” has the meaning given by section 5(8);]

[^{F510}“the Gas Regulation” means [Regulation 2009/715/EC of the European Parliament and of the Council of 13 July 2009 on conditions for access to the natural gas transmission networks and repealing Regulation 2005/1775/EC](#), as amended by the 2010 Amending Decision;]

[^{F519}“gas supplier” and “gas shipper” have the meanings given by section 7A(11) above;]

[^{F510}“gas undertaking” has the meaning given by section 8Q;]

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“holding company” ^{F520} has the meaning given by ^{F521} section 1159 of the Companies Act 2006];

“information” includes accounts, estimates and returns;

^{F522} “kilowatt hour” means 3.6 megajoules;]

^{F523} “licence” means a licence under section 7 ^{F524}, 7ZA] or 7A and “licence holder” shall be construed accordingly;]

^{F510} “LNG import or export facility” means a facility in Great Britain (including the territorial sea adjacent to Great Britain and the sea in any area designated under section 1(7) of the Continental Shelf Act 1964) for—

- (a) the importation into Great Britain and regasification of liquid gas prior to its conveyance to a pipeline system operated by the holder of a licence under section 7 or section 7ZA, or the liquefaction of gas for the purpose of its export from Great Britain; and
- (b) any activity, including temporary storage of gas or liquid gas, which is necessary for that importation, regasification or liquefaction;]

^{F525}
^{F510} “main commercial conditions” means—

- (a) in the case of a storage facility, such information as would enable a potential applicant for a right to have gas or liquid gas stored in the facility to make a reasonable assessment of the cost of, or the method of calculating the cost of, acquiring that right;
- (b) in the case of an LNG import or export facility, the terms setting out the cost or the method of determining the cost of acquiring the right to have gas or liquid gas treated in the facility;
- (c) the other significant terms on which such a right as is mentioned in paragraph (a) or (b) would be granted; and
- (d) such additional information as the Authority may from time to time specify by notice;]

“notice” means notice in writing;

^{F526} “officer”, in relation to any person, includes any servant or agent of that person, and any officer or servant of such an agent;

^{F527} “owner”—

- (a) in relation to any premises or other property, includes a lessee;
- (b) in relation to a storage facility or an LNG import or export facility, includes a person occupying or having control of the facility,

and cognate expressions shall be construed accordingly;:]

“prescribed” means prescribed by regulations ^{F528} made, unless the context otherwise requires, by the Secretary of State];

^{F510} “relevant producer or supplier” has the meaning given by section 8Q;]

^{F529} “^{F511} gas transporter” has the meaning given by section 7(1) above;]

^{F530}
^{F510} “senior officer” means—

- (a) in relation to a company, a director;
- (b) in relation to a partnership, a partner;
- (c) in any other case, a person holding a position equivalent to that of a director or partner;]

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^{F531}[“service pipe” means a pipe, other than a distribution main of a ^{F511}gas transporter]], which is used for the purpose of conveying gas from such a main to any premises, and includes part of any such pipe;

“storage”, in relation to gas, means storage in, or in a facility which is connected (directly or indirectly) to, a pipe-line system operated by a ^{F511}gas transporter];

^{F510}“storage”, in relation to liquid gas in a storage facility, includes any liquefaction of gas or regasification of liquid gas ancillary to the storage of liquid gas, and “stored”, in relation to liquid gas in a storage facility, shall be construed accordingly;]

^{F510}“storage facility” means a facility in Great Britain (including the territorial sea adjacent to Great Britain and the sea in any area designated under section 1(7) of the Continental Shelf Act 1964) for either or both of the following—

- (a) the storage in porous strata, or in cavities in strata, of gas which has been, or will be, conveyed in a pipeline system operated by the holder of a licence under section 7 or 7ZA;
- (b) the storage of liquid gas which, if regasified, would be suitable for conveyance through pipes to premises in accordance with a licence under section 7,

but the reference in paragraph (b) to the storage of liquid gas does not include such temporary storage as is mentioned in the definition of “LNG import or export facility”;;]

“subsidiary” ^{F520}has the meaning given by section 736 of] the Companies Act 1985;

^{F510}“supply exemption holder” means a person who—

- (a) is carrying on the activity mentioned in section 5(1)(b); and
- (b) is authorised to carry on that activity by an exemption;]

^{F510}“treatment”, in relation to gas or liquid gas in an LNG import or export facility, includes importation, regasification, liquefaction and temporary storage, and “treat” shall be construed accordingly;]

^{F510}“the 2010 Amending Decision” means Commission Decision 2010/685/EU of 10 November 2010 amending Chapter 3 of Annex I to Regulation [2009/715/EC](#) of the European Parliament and of the Council on conditions for access to the natural gas transmission networks;]

^{F532}
.....
^{F533}
.....

^{F534}(1ZA) Until section 75 of the Utilities Act 2000 comes into force the references to an exemption in the definitions in subsection (1) above of “distribution exemption holder”, “exempt distribution system” and “supply exemption holder” to an exemption include an exception under Schedule 2A.]

^{F535}(1A) In this Part any reference to an officer authorised by any person includes, in relation to an officer who is an officer or servant of an agent of that person, an officer who, in accordance with the terms of any written authority given by that person to the agent, is authorised by the agent on behalf of that person.]

(2) In this Part, except in section 18, references to the supply of gas do not include references ^{F536}to the supply of gas (directly or indirectly) to a ^{F511}gas transporter], gas supplier or gas shipper].

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[^{F537}(2A) In relation to any time after 31st December 1999—

- (a) references in this Part to 2,500, 75,000 and 2 million therms shall be construed as references to 73,200, 2,196,000 and 58 million kilowatt hours respectively; and
- (b) other references in this Part to therms, and references in this Part to therms or kilowatt hours, shall be construed as references to kilowatt hours.

(2B) A person is of pensionable age for the purposes of this Part if—

- (a) he has attained pensionable age (within the meaning given by the rules in paragraph 1 of Schedule 4 to the ^{M12}Pensions Act 1995); or
- (b) in the case of a man born before [^{F538}6th December 1953], he is the same age as a woman who has attained pensionable age (within the meaning so given).

^{F539}(3)]

^{F539}(4)

Textual Amendments

- F510** Words in s. 48(1) inserted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), **47(2)(b)**
- F511** Words in s. 48 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, art. 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F512** Definition of “authorised supplier” in s. 48(1) inserted (7.11.2000 for certain purposes and otherwise 1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 19(a)**; S.I. 2000/2974, art. 2, **Sch.** (subject to transitional provisions in arts. 3-12); S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F513** Definition of “authorised transporter” in s. 48(1) inserted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 19(a)**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F514** Definition of “the council” in s. 48(1) repealed (1.10.2001) by 2000 c. 27, s. 108, **Sch. 8**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F515** Words in s. 48(1) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 54(1)(b)**; S.I. 1996/218, art. 2
- F516** Definition of “domestic customer” in s. 48(1) repealed (1.10.2001) by 2000 c. 27, s. 108, Sch. 6, Pt. I para. 19(c), **Sch. 8**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F517** Definition of “exemption” in s. 48(1) inserted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6**, Pt. I para. 19(b); S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F518** Words in s. 48(1) inserted (1.12.2004) by [Energy Act 2004 \(c. 20\)](#), **ss. 149(11)**, 198(2); S.I. 2004/2575, art. 2(2), Sch. 2
- F519** Words in s. 48(1) inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 54(1)(d)**; S.I. 1996/218, art. 2
- F520** Words substituted by [Companies Act 1989 \(c. 40, SIF 27\)](#), s. 144(4), **Sch. 18 para. 44(a)** (subject to the transitional provisions referred to in S.I. 1990/1392art. 2(d))
- F521** Words in s. 48(1) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), **Sch. 1 para. 70(3)** (with art. 10)
- F522** Definition in s. 48(1) inserted (1.4.1992) by S.I. 1992/450, **reg. 3(2)**.
- F523** Definition of “licence” in s. 48(1) substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6**, Pt. I para. 19(d); S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F524** Word in s. 48(1) inserted (1.12.2004) by [Energy Act 2004 \(c. 20\)](#), **ss. 149(8)(a)**, 198(2); S.I. 2004/2575, art. 2(2), Sch. 2
- F525** Words in s. 48(1) repealed (1.4.1999) by S.I. 1999/506, **art. 20(d)**

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- F526** Words in s. 48(1) inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 54(1)(f)**; S.I. 1996/218, **art. 2**
- F527** Words in s. 48(1) substituted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **47(2)(a)**
- F528** Words in s. 48(1) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 54(1)(g)**; S.I. 1996/218, **art. 2**
- F529** Words in s. 48(1) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 54(1)(h)**; S.I. 1996/218, **art. 2**
- F530** Words in s. 48(1) repealed (1.3.1996) by 1995 c. 45, ss. 10(1), 17(5), Sch. 3 para. 54(1)(i), **Sch. 6**; S.I. 1996/218, **art. 2**
- F531** Words in s. 48(1) inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 54(1)(j)**; S.I. 1996/218, **art. 2**
- F532** Words in s. 48(1) repealed (1.3.1996) by 1995 c. 45, ss. 10(1), 17(5), Sch. 3 para. 54(1)(k), **Sch. 6**; S.I. 1996/218, **art. 2**
- F533** Definition of "therm" in s. 48(1) omitted (1.1.2000) by virtue of S.I. 1992/450, **reg. 3(5)(e)**.
- F534** S. 48(1ZA) inserted (10.11.2011) by The Electricity and Gas (Internal Markets) Regulations 2011 (S.I. 2011/2704), regs. 1(1), **47(3)**
- F535** S. 48(1A) inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 54(2)**; S.I. 1996/218, **art. 2**
- F536** Words in s. 48(2) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 54(3)**; S.I. 1996/218, **art. 2**
- F537** S. 48(2A)-(3) substituted for s. 48(3) (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 54(4)**; S.I. 1996/218, **art. 2**
- F538** Words in s. 48(2B)(b) substituted (3.1.2012) by Pensions Act 2011 (c. 19), s. 38(3)(a), **Sch. 1 para. 1**
- F539** S. 48(3)(4) repealed (1.10.2001) by 2000 c. 27, s. 108, **Sch. 8**; S.I. 2001/3266, art. 2, **Sch.** (subject to transitional provisions in arts. 3-20)

Modifications etc. (not altering text)

- C49** S. 48(1) amended (temp. until 31.12.1999) (1.4.1992) by S.I. 1992/450, **reg. 3(4)(b)**.

Marginal Citations

- M12** 1995 c.26.

PART II

TRANSFER OF UNDERTAKING OF CORPORATION

Modifications etc. (not altering text)

- C50** Pt. II (ss. 49-61) extended (15.12.2001) by S.I. 2001/4011, **art. 12(1)(b)**

49 Vesting of property etc. of Corporation in a company nominated by the Secretary of State.

- (1) On such day as the Secretary of State may by order appoint for the purposes of this section (in this Act referred to as "the transfer date"), all the property, rights and liabilities to which the Corporation was entitled or subject immediately before that date shall (subject to section 50 below) become by virtue of this section property, rights and liabilities of a company nominated for the purposes of this section by the Secretary of State (in this Act referred to as "the successor company").

Status: Point in time view as at 21/03/2012.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 09 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (2) The Secretary of State may, after consulting the Corporation, by order nominate for the purposes of this section any company formed and registered under the ^{M13}Companies Act 1985; but on the transfer date the company in question must be a company limited by shares which is wholly owned by the Crown.
- (3) References in this Act to property, rights and liabilities of the Corporation are references to all such property, rights and liabilities, whether or not capable or not capable of being transferred or assigned by the Corporation.
- (4) It is hereby declared for the avoidance of doubt that—
 - (a) any reference in this Act to property of the Corporation is a reference to property of the Corporation, whether situated in the United Kingdom or elsewhere; and
 - (b) any such reference to rights and liabilities of the Corporation is a reference to rights to which the Corporation is entitled, or (as the case may be) liabilities to which the Corporation is subject, whether under the law of the United Kingdom or of any part of the United Kingdom or under the law of any country or territory outside the United Kingdom.
- (5) In the ^{M14}House of Commons Disqualification Act 1975 in Part III of Schedule 1 (other disqualifying offices) there shall be inserted (at the appropriate place) the following entry—

“Director of the successor company (within the meaning of the Gas Act 1986), being a director nominated or appointed by a Minister of the Crown or by a person acting on behalf of the Crown ”;

and the like insertion shall be made in Part III of Schedule 1 to the ^{M15}Northern Ireland Assembly Disqualification Act 1975.

<p>Modifications etc. (not altering text)</p> <p>C51 24.8.1986 appointed for the purposes of section 49(1) by S.I. 1986/1318</p> <hr/> <p>Marginal Citations</p> <p>M13 1985 c. 6.</p> <p>M14 1975 c. 24.</p> <p>M15 1975 c. 25.</p>
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50 British Gas Stock.

- (1) On the transfer date all the rights and liabilities to which the Corporation was entitled or subject immediately before that date under the terms of issue of British Gas Stock shall become by virtue of this section rights and liabilities of the Treasury.
- (2) As from the transfer date British Gas Stock shall be deemed for all purposes, but subject to the rights and liabilities mentioned in subsection (1) above, to have been created and issued under the ^{M16}National Loans Act 1968, and that Act and any other enactment, regulation or rule relating to securities issued under that Act shall apply accordingly to that Stock.

^{F540}(3)

^{F540}(4)

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^{F540}(5)

- (6) Before the transfer date the Corporation shall pay to the Bank of England a sum equal to the amounts accruing in respect of unclaimed interest or redemption money on British Gas Stock before the transfer date (after deduction of income tax in the case of interest), but excluding any amounts represented by money in the hands of the Bank of England.
- (7) The Bank of England shall deal with—
- (a) the money paid to them under subsection (6) above; and
 - (b) the money already in their hands which represents such unclaimed interest or redemption money as is mentioned in that subsection,
- as money entrusted to them for payment to holders of British Gas Stock and section 5 of the ^{M17}Miscellaneous Financial Provisions Act 1955 (which relates to unclaimed dividends etc. on Government Stock) shall apply accordingly.
- (8) In this section “British Gas Stock ” means any stock created and issued under section 21 of the 1972 Act or section 43 of the ^{M18}Gas Act 1948.

Textual Amendments

F540 S. 50(3)-(5) repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), [Sch. 1 Pt. 5](#) Group 7

Marginal Citations

M16 1968 c. 13.

M17 1955 c. 6. (4 & 5 Eliz. 2.)

M18 1948 c. 67.

51 Initial Government holding in the successor company.

- (1) As a consequence of the vesting in the successor company by virtue of section 49 above of property, rights and liabilities of the Corporation, the successor company shall issue such securities of the company as the Secretary of State may from time to time direct—
- (a) to the Treasury or the Secretary of State; or
 - (b) to any person entitled to require the issue of the securities following their initial allotment to the Treasury or the Secretary of State.
- (2) The Secretary of State shall not give a direction under subsection (1) above at a time when the successor company has ceased to be wholly owned by the Crown.
- (3) Securities required to be issued in pursuance of this section shall be issued or allotted at such time or times and on such terms as the Secretary of State may direct.
- (4) Shares issued in pursuance of this section—
- (a) shall be of such nominal value as the Secretary of State may direct; and
 - (b) shall be issued as fully paid and treated for the purposes of [^{F541}the Companies Act 2006] as if they had been paid up by virtue of the payment to the successor company of their nominal value in cash.

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- (5) The Secretary of State shall not exercise any power conferred on him by this section, or dispose of any securities issued or of any rights to securities initially allotted to him in pursuance of this section, without the consent of the Treasury.
- (6) Any dividends or other sums received by the Treasury or the Secretary of State in right of or on the disposal of any securities or rights acquired by virtue of this section shall be paid into the Consolidated Fund.
- (7) F542

Textual Amendments

F541 Words in s. 51(4)(b) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), **Sch. 1 para. 70(4)** (with art. 10)

F542 Ss. 51(7), 52(5) repealed by [Finance Act 1988 \(c. 39, SIF 114\)](#), s. 148, **Sch. 14 Pt. XI**

52 Government investment in securities of the successor company.

- (1) The Treasury or, with the consent of the Treasury, the Secretary of State may at any time acquire—
 - (a) securities of the successor company; or
 - (b) rights to subscribe for any such securities.
- (2) The Secretary of State may not dispose of any securities or rights acquired under this section without the consent of the Treasury.
- (3) Any expenses incurred by the Treasury or the Secretary of State in consequence of the provisions of this section shall be paid out of money provided by Parliament.
- (4) Any dividends or other sums received by the Treasury or the Secretary of State in right of, or on the disposal of, any securities or rights acquired under this section shall be paid into the Consolidated Fund.
- (5) F543

Textual Amendments

F543 Ss. 51(7), 52(5) repealed by [Finance Act 1988 \(c. 39, SIF 114\)](#), s. 148, **Sch. 14 Pt. XI**

53 Exercise of functions through nominees.

- (1) The Treasury or, with the consent of the Treasury, the Secretary of State may for the purposes of section 51 or 52 above appoint any person to act as the nominee, or one of the nominees, of the Treasury or the Secretary of State; and—
 - (a) securities of the successor company may be issued under section 51 above to any nominee of the Treasury or the Secretary of State appointed for the purposes of that section or to any person entitled to require the issue of the securities following their initial allotment to any such nominee; and
 - (b) any such nominee appointed for the purposes of section 52 above may acquire securities or rights under that section,

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in accordance with directions given from time to time by the Treasury or, with the consent of the Treasury, by the Secretary of State.

- (2) Any person holding any securities or rights as a nominee of the Treasury or the Secretary of State by virtue of subsection (1) above shall hold and deal with them (or any of them) on such terms and in such manner as the Treasury or, with the consent of the Treasury, the Secretary of State may direct.

54 Target investment limit for Government shareholding.

- (1) As soon as he considers expedient and, in any case, not later than six months after the successor company ceases to be wholly owned by the Crown, the Secretary of State shall by order fix a target investment limit in relation to the shares for the time being held in that company by virtue of any provision of this Part by the Treasury and their nominees and by the Secretary of State and his nominees (in this section referred to as “the Government shareholding”).
- (2) The target investment limit shall be expressed as a proportion of the voting rights which are exercisable in all circumstances at general meetings of the successor company (in this section referred to as “the ordinary voting rights”).
- (3) The first target investment limit fixed under this section shall be equal to the proportion of the ordinary voting rights which is carried by the Government shareholding at the time when the order fixing the limit is made.
- (4) The Secretary of State may from time to time by order fix a new target investment limit in place of the one previously in force under this section; but—
 - (a) any new limit must be lower than the one it replaces; and
 - (b) an order under this section may only be revoked by an order fixing a new limit.
- (5) It shall be the duty of the Treasury and of the Secretary of State so to exercise—
 - (a) their powers under section 52 above and any power to dispose of any shares held by virtue of any provision of this Part; and
 - (b) their power to give directions to their respective nominees,as to secure that the Government shareholding does not carry a proportion of the ordinary voting rights exceeding any target investment limit for the time being in force under this section.
- (6) Notwithstanding subsection (5) above, the Treasury or the Secretary of State may take up, or direct any nominee of the Treasury or of the Secretary of State to take up, any rights for the time being available to them or him, or to that nominee, as an existing holder of shares or other securities of the successor company; but if, as a result, the proportion of the ordinary voting rights carried by the Government shareholding at any time exceeds the target investment limit, it shall be the duty of the Treasury or, as the case may be, the Secretary of State to comply with subsection (5) above as soon after that time as is reasonably practicable.
- (7) For the purposes of this section the temporary suspension of any of the ordinary voting rights shall be disregarded.

55 Financial structure of the successor company.

- (1) If the Secretary of State so directs at any time before the successor company ceases to be wholly owned by the Crown, such sum (not exceeding the accumulated realised

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profits of the Corporation) as may be specified in the direction shall be carried by the successor company to a reserve (in this section referred to as “the statutory reverse”).

- (2) The statutory reserve may only be applied by the successor company in paying up unissued shares of the company to be allotted to members of the company as fully paid bonus shares.
- (3) Notwithstanding subsection (2) above, the statutory reserve shall not count as an undistributable reserve of the successor company for the purposes of [F544 section 831(4)(d) of the Companies Act 2006]; but for the purpose of determining under that section whether the successor company may make a distribution at any time any amount for the time being standing to the credit of the statutory reserve shall be treated for the purposes of [F545 section 831(4)(c)] as if it were unrealised profits of the company.
- (4) For the purposes of any statutory accounts of the successor company—
 - (a) the vesting effected by virtue of section 49 above shall be taken to have been a vesting of all the property, rights and liabilities to which the Corporation was entitled or subject immediately before the end of the last complete financial year of the Corporation ending before the transfer date (other than any rights and liabilities which vest in the Treasury by virtue of section 50 above) and to have been effected immediately after the end of that year; and
 - (b) the value of any asset and the amount of any liability of the Corporation taken to have been vested in the successor company by virtue of paragraph (a) above shall be taken to have been the value or (as the case may be) the amount assigned to that asset or liability for the purposes of the corresponding statement of accounts prepared by the Corporation in respect of that year.
- (5) For the purposes of any statutory accounts of the successor company the amount to be included in respect of any item shall be determined as if anything done by the Corporation (whether by way of acquiring, revaluing or disposing of any asset or incurring, revaluing or discharging any liability, or by carrying any amount to any provision or reserve, or otherwise) had been done by the successor company.

Accordingly (but without prejudice to the generality of the preceding provision) the amount to be included from time to time in any reserves of the successor company as representing its accumulated realised profits shall be determined as if any profits realised and retained by the Corporation had been realised and retained by the successor company.

- (6) References in this section to the statutory accounts of the successor company are references to any accounts prepared by the successor company for the purposes of any provision of the ^{M19}Companies Act 1985 (including group accounts); and in this section “complete financial year” means a financial year ending with 31st March.

Textual Amendments

F544 Words in s. 55(3) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), **Sch. 1 para. 70(5)(a)** (with art. 10)

F545 Words in s. 55(3) substituted (1.10.2009) by [The Companies Act 2006 \(Consequential Amendments, Transitional Provisions and Savings\) Order 2009 \(S.I. 2009/1941\)](#), art. 1(2), **Sch. 1 para. 70(5)(b)** (with art. 10)

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Marginal Citations

M19 1985 c. 6.

56 Temporary restrictions on successor company’s borrowings etc.

- (1) If articles of association of the successor company confer on the Secretary of State powers exercisable with the consent of the Treasury for, or in connection with, restricting the sums of money which may be borrowed or raised by the group during any period, those powers shall be exercisable in the national interest notwithstanding any rule of law and the provisions of any enactment.
- (2) For the purposes of this section any alteration of the articles of association of the successor company which—
 - (a) has the effect of conferring or extending any such power as is mentioned in subsection (1) above; and
 - (b) is made at a time when that company has ceased to be wholly owned by the Crown,shall be disregarded.
- (3) In this section “group ” means the successor company and all of its subsidiaries taken together.

^{F546}**57 Dissolution of the Corporation.**

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Textual Amendments

F546 S. 57 repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), [Sch. 1 Pt. 5](#) Group 7

58 ^{F547}

Textual Amendments

F547 S. 58 repealed by [Financial Services Act 1986 \(c. 60, SIF 69\)](#), s. 212(3), [Sch. 17 Pt. I](#)

59 Application of Trustee Investments Act 1961 in relation to investment in the successor company.

- (1) For the purpose of applying paragraph 3(b) of Part IV of Schedule 1 to the ^{M20}Trustee Investments Act 1961 (which provides that shares and debentures of a company shall not count as wider-range and narrower-range investments respectively within the meaning of that Act unless the company has paid dividends in each of the five years immediately preceding that in which the investment is made) in relation to investment in shares or debentures of the successor company during the calendar year in which the transfer date falls (“the first investment year ”) or during any year following that year, the successor company shall be deemed to have paid a dividend as there mentioned—

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- (a) in every year preceding the first investment year which is included in the relevant five years; and
 - (b) in the first investment year, if that year is included in the relevant five years and the successor company does not in fact pay such a dividend in that year.
- (2) In subsection (1) above “the relevant five years ” means the five years immediately preceding the year in which the investment in question is made or proposed to be made.

Marginal Citations
M20 1961 c. 62.

60 Tax provisions.

- (1) The successor company shall be treated—
- (a) for all purposes of corporation tax and petroleum revenue tax; ^{F548} ...
 - ^{F548}(b)
as if it were the same person as the Corporation.
- (2) The successor company shall not by virtue of subsection (1) above be regarded as a body falling within section [^{F549}170(12) of the Taxation of Chargeable Gains Act 1992] (bodies established for carrying on industries or undertakings under national ownership or control).
- [^{F550}(3) For the purposes of Part VI of the ^{M21}Income and Corporation Taxes Act 1988 (company distributions) and [^{F551}Part 5 of the Corporation Tax Act 2009] (loan relationships), any debentures issued in pursuance of section 51 above shall be treated as having been issued for new consideration equal to the principal sum payable under the debenture.]
- ^{F552}(4)

Textual Amendments

F548 S. 60(1)(b) and word preceding it repealed (31.7.1998 but without effect in relation to gas levy for the year 1997-98 or any previous year) by 1998 c. 36, s. 165, **Sch. 27 Pt. V(3)** Note 1

F549 Words in s. 60(2) substituted (6.3.1992 with effect as mentioned in s. 289(1) of the 1992 substituting Act) by **Taxation of Chargeable Gains Act 1992 (c. 12)**, ss. 289(1)(2), 290, **Sch. 10 para. 13** (with ss. 60, 101(1), 201(3)).

F550 S. 60(3) substituted (29.4.1996) by 1996 c. 8, s. 104, **Sch. 14 para. 4** (with ss. 80-105)

F551 Words in s. 60(3) substituted (1.4.2009) (with effect in accordance with s. 1329(1) of the amending Act) by **Corporation Tax Act 2009 (c. 4)**, s. 1329(1), **Sch. 1 para. 327** (with **Sch. 2 Pts. 1, 2**)

F552 S. 60(4) repealed (31.7.1998 but without effect in relation to gas levy for the year 1997-98 or any previous year) by 1998 c. 36, s. 165, **Sch. 27 Pt. V(3)** Note 1

Marginal Citations
M21 1988 c. 1.

61 Interpretation etc. of Part II.

- (1) In this Part—

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“debenture” includes debenture stock;

“securities”, in relation to a company, includes shares, debentures, bonds and other securities of the company, whether or not constituting a charge on the assets of the company;

“shares” includes stock;

“subsidiary” [^{F553}has the meaning given by]^{F554}section 1159 of the Companies Act 2006].

(2) An order under section 49 above nominating any company for the purposes of that section and an order under subsection (1) of that section appointing the transfer date may be varied or revoked by a subsequent order at any time before any property, rights or liabilities vest in any company by virtue of section 49 above.

(3) A company shall be regarded for the purposes of this Part as wholly owned by the Crown at any time when each of the issued shares in the company is held by, or by a nominee of, the Treasury or the Secretary of State.

Textual Amendments

F553 Words substituted by Companies Act 1989 (c. 40, SIF 27), s. 144(4), **Sch. 18 para. 44(b)** (subject to the transitional provisions referred to in S.I. 1990/1392, **art. 2(d)**)

F554 Words in s. 61(1) substituted (1.10.2009) by The Companies Act 2006 (Consequential Amendments, Transitional Provisions and Savings) Order 2009 (S.I. 2009/1941), art. 1(2), **Sch. 1 para. 70(6)** (with art. 10)

PART III

MISCELLANEOUS AND GENERAL

^{F555}**62 Exclusion of certain agreements from Restrictive Trade Practices Act 1976.**

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Textual Amendments

F555 S. 62 repealed (1.3.2005) by The Competition Act 1998 (Transitional, Consequential and Supplemental Provisions) Order 2000 (S.I. 2000/311), arts. 1, **18**

^{F556}**63**

Textual Amendments

F556 S. 63 repealed (1.3.1996) by 1995 c. 45, ss. 11(6), 17(5), **Sch. 6** (with Sch. 5 Pt. II para. 23); S.I. 1996/218, **art. 2**

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64 Provisions as to orders.

- (1) Any power conferred on the Secretary of State by this Act to make orders shall be exercisable by statutory instrument.
- (2) Any statutory instrument containing an order under this Act, other than an order appointing a day or an order under section [^{F557}23, 30A, 33BC, ^{F558}... 41C][^{F559}, 41HA, ^{F560}... , 49(2) or 57(2) above, shall be subject to annulment in pursuance of a resolution of either House of Parliament.

Textual Amendments

F557 Words in s. 64(2) inserted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6**, Pt. I para. 21; S.I. 2001/3266, **arts. 1(2), 2** Sch. (subject to transitional provisions in arts. 3-20)

F558 Word in s. 64(2) omitted (8.6.2010) by virtue of Energy Act 2010 (c. 27), s. 38(3), **Sch. para. 4**

F559 Word in s. 64(2) inserted (26.1.2009) by Energy Act 2008 (c. 32), s. 110(2), **Sch. 5 para. 2**; S.I. 2009/45, art. 2(e)(iv)

F560 Words in s. 64(2) repealed (1.3.1996) by 1995 c. 45, ss. 11(7), 17(5), **Sch. 6**; S.I. 1996/218, **art. 2**

[^{F561}64A Extraterritorial operation of Act

- (1) Where by virtue of this Act an act or omission taking place outside Great Britain constitutes an offence, proceedings for the offence may be taken, and the offence may for all incidental purposes be treated as having been committed, in any place in Great Britain.
- (2) Provision made by or under this Act in relation to places outside Great Britain—
 - (a) so far as it applies to individuals, applies to them whether or not they are British citizens; and
 - (b) so far as it applies to bodies corporate, applies to them whether or not they are incorporated under the law of a part of the United Kingdom.]

Textual Amendments

F561 S. 64A inserted (14.8.2006) by Energy Act 2004 (c. 20), **ss. 153, 198(2)**; S.I. 2006/1964, art. 2, Sch.

65 Financial provisions.

There shall be paid out of money provided by Parliament any administrative expenses incurred by the Secretary of State in consequence of the provisions of this Act and any increase attributable to this Act in the sums payable out of money so provided under any other Act.

66 General interpretation.

In this Act, unless the context otherwise requires—

“the 1972 Act ” means the ^{M22}Gas Act 1972;

“the appointed day ” has the meaning given by section 3 above;

[^{F562}“the Authority” means the Gas and Electricity Markets Authority;]

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“contravention ”, in relation to any direction, condition, requirement, regulation or order, includes any failure to comply with it and cognate expressions shall be construed accordingly;

“the Corporation ” means the British Gas Corporation;

[^{F563}“the Council” means the National Consumer Council;]
^{F564}

“modifications ” includes additions, alterations and omissions and cognate expressions shall be construed accordingly;

“subordinate legislation ” has the same meaning as in the ^{M23}Interpretation Act 1978;

“the successor company ” has the meaning given by section 49(1) above;

“the transfer date ” has the meaning given by section 49(1) above;

“the transitional period ” has the meaning given by section 57(1) above.

Textual Amendments

F562 Definition of “the Authority ” in s. 66 inserted (20.12.2000) by 2000 c. 27 s. 108, Sch. 6 Pt. I para. 22(a); S.I. 2000/3343, art. 2, Sch. (subject to transitional provisions in arts. 3-15)

F563 Words in s. 66 substituted (1.10.2008) by Consumers, Estate Agents and Redress Act 2007 (c. 17), ss. 30(4)(a), 66(2) (with s. 6(9), Sch. 3); S.I. 2008/2550, art. 2, Sch.

F564 Definition of “the Director ” in s. 66 repealed (1.10.2001) by 2000 c. 27, s. 108, Sch. 8; S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

Marginal Citations

M22 1972 c. 60.

M23 1978 c. 30.

67 Amendments, transitional provisions, savings and repeals.

- (1) The enactments mentioned in Schedule 7 to this Act shall have effect subject to the amendments there specified (being minor amendments or amendments consequential on the preceding provisions of this Act).
- (2) The Secretary of State may by order make such consequential modifications of any provision contained in any Act (whether public general or local) passed, or in subordinate legislation made, before the appointed day as appear to him necessary or expedient in respect of—
 - (a) any reference in that Act or subordinate legislation to the Corporation;
 - (b) any reference (in whatever terms) in that Act or subordinate legislation to a person carrying on a gas undertaking or to such an undertaking; or
 - (c) any reference in that Act or subordinate legislation to any enactment repealed by this Act.
- (3) The transitional provisions and savings contained in Schedule 8 to this Act shall have effect; but those provisions and savings are without prejudice to sections 16 and 17 of the ^{M24}Interpretation Act 1978 (effect of repeals).
- (4) The enactments mentioned in Schedule 9 to this Act (which include some which are spent or no longer of practical utility) are hereby repealed to the extent specified in the third column of that Schedule.

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Marginal Citations

M24 1978 c. 30.

68 Short title, commencement and extent.

- (1) This Act may be cited as the Gas Act 1986.
- (2) The following provisions of this Act, namely—
 - Part I except sections 1 and 2;
 - section 66;
 - section 67(1) and Schedule 7;
 - section 67(2);
 - Part I of Schedule 8 and section 67(3) so far as relating to that Part; and
 - Part I of Schedule 9 and section 67(4) so far as relating to that Part,
 shall come into force on the appointed day.
- (3) The following provisions of this Act, namely—
 - Part II;
 - Part II of Schedule 8 and section 67(3) so far as relating to that Part; and
 - Part II of Schedule 9 and section 67(4) so far as relating to that Part,
 shall come into force on the transfer date.
- (4) Part III of Schedule 9 and section 67(4) so far as relating to that Part shall come into force on the dissolution of the Corporation.
- (5) Subject to subsections (2) to (4) above, this Act shall come into force on such day as the Secretary of State may by order appoint; and different days may be so appointed for different provisions or for different purposes.
- (6) This Act, except this section and the following provisions, namely—
 - sections 49 and 50;
 - section 58;
 - sections 62 and 63;
 - section 66;
 - paragraph 7 of Schedule 1 and section 1(5) so far as relating to that paragraph;
 - paragraph 8 of Schedule 2 and section 2(5) so far as relating to that paragraph;
 - paragraphs 15, 23 and 28 of Schedule 7 and section 67(1) so far as relating to those paragraphs; and
 - paragraph 27 to 31 of Schedule 8 and section 67(3) so far as relating to those paragraphs; and
 - Schedule 9 and section 67(4) so far as relating to the repeal of section 33(2) of the 1972 Act and the repeals in the ^{M25}House of Commons Disqualification Act 1975,
 does not extend to Northern Ireland.

Modifications etc. (not altering text)

C52 Power of appointment conferred by s. 68(5) fully exercised: S.I. 1986/1315, 1809

Status: Point in time view as at 21/03/2012.

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Marginal Citations

M25 1975 c. 24.

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SCHEDULES

^{F565}SCHEDULE 1

Textual Amendments

F565 Sch. 1 repealed (1.10.2001) by 2000 c. 27, s. 108, **Sch. 8**; S.I. 2001/3266, **arts. 1**(20, 2, Sch. (subject to transitional provisions in arts. 3-20)

^{F568}SCHEDULE 2

Textual Amendments

F568 Sch. 2 repealed (7.11.2000) by 2000 c. 27, s. 108, **Sch. 8**; S.I. 2000/2974, **art. 2**, **Sch.** (subject to transitional provisions in **arts. 3-12**)

[^{F569}SCHEDULE 2A

EXCEPTIONS TO PROHIBITION ON UNLICENSED ACTIVITIES

Textual Amendments

F569 Sch. 2A inserted (1.3.1996) by 1995 c. 45, s. 3(2), **Sch. 1**; S.I. 1996/218, **art. 2**

Conveyance or supply by landlords etc.

- 1 Section 5(1) of this Act is not contravened by a person—
- (a) conveying within a building or part of a building in which he has an interest; or
 - (b) supplying for use in such a building or part of a building, gas supplied to the building by a person authorised to supply it by or under section 6A or 7A of this Act or this Schedule.

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Conveyance or supply to associated companies

- 2 Section 5(1) of this Act is not contravened by a company conveying or supplying gas to any premises occupied by a subsidiary or holding company of the company, or by a subsidiary of a holding company of the company.

Conveyance or supply of propane or butane

- 3 (1) Section 5(1) of this Act is not contravened by a person conveying or supplying to any premises gas which consists wholly or mainly of propane or butane.
- (2) In the case of a supply, this paragraph does not apply unless—
- (a) the contract for the supply contains provisions empowering a person authorised by the supplier to enter the premises where in his opinion it is necessary to do so for the purpose of averting danger to life or property;
 - (b) those provisions are in terms approved for the purposes of this paragraph by the Secretary of State; and
 - (c) the gas is conveyed to the premises otherwise than by a public gas transporter.

Modifications etc. (not altering text)

C56 Sch. 2A para. 3 extended (8.11.1995 with effect as mentioned by [Sch. 5 Pt. II para. 13](#) of the amending Act) by [1995 c. 45, s. 17\(1\)](#), [Sch. 5 Pt. II para. 13](#); [S.I. 1996/218, art. 2](#)

Conveyance for supply to large consumers

- 4 Section 5(1) of this Act is not contravened by a person conveying gas to any premises at any time if they are supplied with gas at a rate which, at any time within the period of 12 months immediately preceding that time, he reasonably expected to exceed 75,000 therms a year.

Supply to very large consumers

- 5 (1) Sub-paragraph (2) below applies where a person (in this paragraph referred to as a “supplier”) notifies the Director—
- (a) that he proposes to undertake a supply of gas to any premises at a rate in excess of 2,000,000 therms a year (in this paragraph referred to as “the required rate”); or
 - (b) that, in such circumstances as may be described in the notification, he would undertake a supply of gas to any premises, at a rate in excess of the required rate, for such period as may be so described.
- (2) Section 5(1) of this Act is not contravened by a supply of gas to the premises (or, as the case may require, a supply of gas to the premises in the circumstances and for the period described in the notification) unless, within six weeks of receiving the notification, the Director notifies the supplier either—
- (a) that he is of the opinion that the rate of supply to those premises would be unlikely to exceed the required rate; or
 - (b) that he is unable to form an opinion as to whether the rate of supply to those premises would or would not be likely to exceed the required rate.

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- (3) Where a supplier has given the Director a notification under sub-paragraph (1)(a) above and—
- (a) the rate of supply to the premises to which the notification relates fails to exceed the required rate for three successive periods of twelve months;
 - (b) the supplier fails to furnish the Director with such information as he may require for the purpose of determining whether the condition in paragraph (a) above is fulfilled; or
 - (c) the supplier fails to afford to the Director such facilities as he may require for the purpose of verifying any information furnished in pursuance of such a requirement as is mentioned in paragraph (b) above,
- the Director may direct that the supplier's notification shall be treated as invalid for the purposes of that sub-paragraph except as regards gas previously supplied.
- (4) As soon as practicable after receiving a notification under sub-paragraph (1) above, giving a notification under sub-paragraph (2) above or giving a direction under sub-paragraph (3) above, the Director shall send a copy of the notification or direction to the Health and Safety Executive.]

Modifications etc. (not altering text)

C57 Sch. 2A para. 5(1) extended (8.11.1995 with effect as mentioned by [Sch. 5 Pt. II para. 14\(1\)](#) of the amending Act) by [1995 c. 45, s. 17\(1\)](#), [Sch. 5 Pt. II para. 14\(2\)](#); [S.I. 1996/218, art. 2](#)

[^{F570}SCHEDULE 2AA

Section 6B

DUTIES OF DISTRIBUTION EXEMPTION HOLDERS

Textual Amendments

F570 Schs. 2AA, 2AB inserted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), [regs. 1\(1\), 20\(3\)](#), [Sch. 1](#)

Third party access

1. (1) This paragraph applies where—
 - (a) a customer owns or occupies premises which are connected to an exempt distribution system;
 - (b) the customer is taking a supply of gas through that system from—
 - (i) the distribution exemption holder that operates or has control of the system, or
 - (ii) a person related to the distribution exemption holder; and
 - (c) the customer—
 - (i) has served on the distribution exemption holder a notice expressing the customer's interest in taking a supply of gas from a third party supplier through that system; and
 - (ii) has provided with the notice evidence that at least one third party supplier would be willing to supply the customer with gas through

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that system, and has identified any such third party supplier in the notice.

- (2) In this Schedule “expression of interest” means a notice served under sub-paragraph (1).
- (3) Within 5 working days beginning with the day on which it receives the expression of interest, the distribution exemption holder must provide any person related to it that is currently supplying the customer with gas with a copy of the expression of interest.
- (4) Within 10 working days beginning with the day on which it receives the expression of interest, the distribution exemption holder must serve on the customer—
 - (a) a notice informing the customer that it will take the steps in sub-paragraph (6) with a view to giving a third party supplier access to its distribution system; or
 - (b) a notice informing the customer that the distribution exemption holder considers—
 - (i) that it would need to increase the capacity of its distribution system in order to give a third party supplier access to that distribution system; and
 - (ii) that one of the conditions in sub-paragraph (5) is met.
- (5) Those conditions are—
 - (a) that it is not technically feasible to provide the increase in capacity in question;
 - (b) that providing that increase in capacity would have a significant and adverse economic impact on the distribution exemption holder or any other person.
- (6) Where the distribution exemption holder has served on the customer a notice under sub-paragraph (4)(a), the distribution exemption holder must—
 - (a) serve on any third party supplier identified in the expression of interest a notice specifying—
 - (i) any metering arrangements that the distribution exemption holder considers would be required to enable access to be given; and
 - (ii) whether it would be willing to give access through contractual arrangements which would not require a connection to be made or modified; and
 - (b) provide each such third party supplier with any other documents or information that it may reasonably request.
- (7) The distribution exemption holder must serve the notice required by sub-paragraph (6)(a) within 20 working days beginning with the day on which it receives the expression of interest.
- (8) The distribution exemption holder must provide any documents or information requested by a third party supplier under sub-paragraph (6)(b)—
 - (a) within 20 working days beginning with the day of the distribution exemption holder’s receipt of the expression of interest; or
 - (b) if the request is made at a time when there are fewer than 10 working days remaining in the 20 working day period mentioned in paragraph (a) above, within 10 working days beginning with the day of the distribution exemption holder’s receipt of the request.

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2. (1) This paragraph and paragraph 3 apply where a customer who has served an expression of interest relating to an exempt distribution system serves on the distribution exemption holder a notice—
 - (a) confirming that the customer has entered into a contract with a third party supplier identified in the expression of interest for the supply of gas to premises which are connected to the exempt distribution system; and
 - (b) identifying that third party supplier.
- (2) Within 5 working days beginning with the day on which it receives the notice served under sub-paragraph (1), the distribution exemption holder must provide any person related to it that is currently giving a supply of gas to the customer with a copy of that notice.
- (3) If the distribution exemption holder has not, by the end of the 10 working day period mentioned in paragraph 1(4), served on the customer a notice under paragraph 1(4)(b), the distribution exemption holder must give the third party supplier such access to the distribution system to which the expression of interest relates as is necessary to enable the third party supplier to give a supply of gas to the customer.
- (4) Access under sub-paragraph (2) must be given either—
 - (a) as soon as is reasonably practicable after the distribution exemption holder receives the notice served under sub-paragraph (1); or
 - (b) on a date agreed by the distribution exemption holder, the third party supplier and the customer in writing.
- (5) Sub-paragraphs (6) to (11) apply if the distribution exemption holder has served on the customer a notice under paragraph 1(4)(b) (whether before or after the service of the notice under sub-paragraph (1)).
- (6) Subject to sub-paragraph (7), the distribution exemption holder must give the third party supplier such access to its distribution system as is necessary to enable the third party supplier to give a supply of gas to the customer, and must give that access—
 - (a) as soon as is reasonably practicable after the end of the period of 28 working days beginning with the day on which the customer serves the notice under sub-paragraph (1); or
 - (b) on a date agreed by the distribution exemption holder, the third party supplier and the customer in writing.
- (7) If, before the end of the period mentioned in sub-paragraph (6)(a), the distribution exemption holder takes the steps mentioned in sub-paragraph (8)—
 - (a) the distribution exemption holder is not required to give access in accordance with sub-paragraph (6), and
 - (b) sub-paragraph (9) applies.
- (8) The steps mentioned in sub-paragraph (7) are—
 - (a) providing the third party supplier with evidence to show—
 - (i) that the distribution exemption holder would need to increase the capacity of its distribution system in order to give the third party supplier access to that distribution system; and
 - (ii) that one of the conditions in paragraph 1(5) is met; and
 - (b) sending a copy of the evidence to the customer.

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- (9) If, within the period mentioned in sub-paragraph (10), the distribution exemption holder and the third party supplier enter into a contract for the provision to the third party supplier of such access as is necessary to enable it to give a supply of gas to the customer through the distribution system, the distribution exemption holder must give access to the third party supplier in accordance with the terms of the contract.
- (10) That period is—
- (a) the 14 days immediately following the period mentioned in sub-paragraph (6)(a); or
 - (b) any longer period that the distribution exemption holder, the third party supplier and the customer may agree in writing.
- (11) If, before the end of the 28 day period mentioned in sub-paragraph (6)(a), the distribution exemption holder, the third party supplier and the customer agree in writing to the extension of that period, sub-paragraphs (6) to (10) have effect as if sub-paragraph (6)(a) referred to the extended period instead of to the period of 28 working days there mentioned.
3. (1) The third party supplier mentioned in paragraph 2(1) may make an application to the Authority under this paragraph if—
- (a) the distribution exemption holder has served on the customer a notice under paragraph 1(4)(b); and
 - (b) at the end of the period mentioned in paragraph 2(10), the distribution exemption holder is not under a duty (whether by virtue of sub-paragraph (6) or (9) of paragraph 2) to give access to the third party supplier.
- (2) The third party supplier may not make an application under this paragraph unless it has, no later than the 10th working day before the day on which the application is made, served on the distribution exemption holder a notice—
- (a) informing the distribution exemption holder that it intends to make an application under this paragraph; and
 - (b) inviting the distribution exemption holder to provide it with any further evidence it may wish to provide for the purpose mentioned in paragraph 2(8)(a).
- (3) The application must include—
- (a) any evidence provided by the distribution exemption holder under paragraph 2(8)(a) or sub-paragraph (2)(b) above;
 - (b) a description of the nature of the access required by the third party supplier (including any alternative forms of access that would be acceptable to it); and
 - (c) any evidence the third party supplier may wish to include—
 - (i) to show that the capacity of the distribution system would not need to be increased in order to give a third party supplier access to it;
 - (ii) to show that a condition in paragraph 1(5) is not met; or
 - (iii) as to the benefits that would be brought by any increase in capacity that may be necessary.
- (4) The third party supplier must send a copy of the application to the distribution exemption holder and the customer.
- (5) Where an application has been made under this paragraph the Authority may, at the request of the customer or the third party supplier (the “requesting party”), ask the distribution exemption holder to provide the Authority and the requesting party

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with information in respect of the measures that would be required to reinforce the distribution system in order to provide the necessary capacity.

- (6) Except to the extent that sub-paragraph (7) applies, the distribution exemption holder must comply with any request made by the Authority under sub-paragraph (5).
- (7) If the distribution exemption holder represents to the Authority that particular information should not be disclosed under sub-paragraph (6) because it is commercially sensitive, the Authority may determine that the information in question should be excepted from the duty to disclose information under that sub-paragraph, having regard to the need to preserve the confidentiality of commercially sensitive information.
- (8) The distribution exemption holder may recover from the requesting party any costs reasonably incurred in providing any information requested under sub-paragraph (5).
- (9) Where an application has been made under this paragraph the Authority—
 - (a) must, if satisfied that the conditions in sub-paragraph (10) are met, determine that the distribution exemption holder is entitled to refuse the third party supplier access to its distribution system on the ground of lack of capacity;
 - (b) must, if not satisfied that those conditions are met, determine that the distribution exemption holder is not entitled to refuse the third party supplier access to its distribution system on the ground of lack of capacity.
- (10) Those conditions are—
 - (a) that the distribution exemption holder would need to increase the capacity of its distribution system in order to give the third party supplier access to it; and
 - (b) that either it is not technically feasible to provide that increase in capacity, or the benefits of the increase in capacity would be outweighed by the economic impact that the provision of the increase in capacity would have on the distribution exemption holder or any other person.
- (11) The Authority must, as soon as is reasonably practicable after making its determination—
 - (a) notify the distribution exemption holder of its determination; and
 - (b) provide the customer and the third party supplier with a copy of that notice.
- (12) If the Authority determines that the distribution exemption holder is not entitled to refuse the third party supplier access to its distribution system on the ground of lack of capacity—
 - (a) the distribution exemption holder must give the third party supplier such access to its distribution system as is necessary to enable the third party supplier to give a supply of gas to the customer;
 - (b) paragraph 1(6) to (8) applies as if the distribution exemption holder had served a notice under paragraph 1(4)(a) on the customer, and as if the references in paragraph 1(7) and (8)(a) to the “expression of interest” were to the notification under sub-paragraph (11) above; and
 - (c) paragraph 5 has effect as if the reference in paragraph 5(3) to the “expression of interest” were to the notification under sub-paragraph (11) above.
- (13) Access under sub-paragraph (12)(a) must be given either—
 - (a) as soon as is reasonably practicable after the distribution exemption holder receives the notification under sub-paragraph (11); or

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- (b) on a date agreed by the distribution exemption holder, the third party supplier and the customer in writing.
- 4.
 - (1) This paragraph applies where a distribution exemption holder is required under paragraph 2(3), (6) or (9) or 3(12)(a) to give a third party supplier access to its distribution system.
 - (2) The duty must be performed for so long as the access is required.
 - (3) In meeting the duty the distribution exemption holder must not—
 - (a) treat the third party supplier less favourably than any other supplier in respect of the terms and conditions for access to its distribution system, including those relating to any connection under paragraph 7(3);
 - (b) refuse to give access on the basis that the Authority has not yet approved its charging methodology; or
 - (c) act in a manner which unreasonably prevents, restricts or delays access to its distribution system by the third party supplier.
 - (4) The distribution exemption holder must grant the third party supplier such ancillary or incidental rights over its distribution system as are necessary to enable the third party supplier to meet its licence or statutory obligations, including any obligations of the third party supplier relating to metering functions.
 - (5) Where access has been given before a methodology for calculating a use of system charge has been given an approval that is required by virtue of paragraph 5(1), the distribution exemption holder may, within a reasonable period after receiving notification of the approval of the methodology, require the third party supplier to pay for that access an amount that is—
 - (a) equivalent to the charge that would have been payable for that access had the methodology been approved before the access was given; and
 - (b) payable within such period as the parties agree or, in the absence of such agreement, within such reasonable period after the distribution exemption holder demands the payment as may be specified by the distribution exemption holder.

Charges for use of system

- 5.
 - (1) Subject to paragraph 13(1), a distribution exemption holder on whom a customer has served an expression of interest must not impose a use of system charge unless the Authority has approved the methodology for calculating that charge under sub-paragraph (5) or paragraph 14(7).
 - (2) If such a distribution exemption holder proposes to impose a use of system charge in circumstances where, by virtue of sub-paragraph (1), the Authority's approval of the methodology for that charge is required the distribution exemption holder must—
 - (a) prepare a record of the assets and liabilities associated with its distribution activities at the time of the receipt of the expression of interest;
 - (b) prepare a statement (a “charging statement”) containing details of the proposed methodology for calculating the use of system charge;
 - (c) provide the Authority with—
 - (i) the charging statement,

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- (ii) any evidence that the distribution exemption holder may wish to provide in support of the methodology proposed for calculating the use of system charge,
 - (iii) a copy of the expression of interest, and
 - (iv) such other information or documents as the Authority may request;
 - (d) provide the relevant third party supplier with a copy of the charging statement.
- (3) Subject to sub-paragraph (4), all of the steps required by sub-paragraph (2) must be carried out within 20 working days beginning with the day of the distribution exemption holder's receipt of the expression of interest.
 - (4) Where the Authority has requested further information or documents in accordance with sub-paragraph (2)(c)(iv) at a time when there are fewer than 10 working days remaining in the 20 working day period mentioned in sub-paragraph (3), the further information or documents must be provided within 10 working days beginning with the day of the distribution exemption holder's receipt of the request.
 - (5) Where a distribution exemption holder has complied with sub-paragraph (2)(c) the Authority must, as soon as is reasonably practicable—
 - (a) decide whether to approve the methodology proposed by that distribution exemption holder; and
 - (b) notify the distribution exemption holder of that decision.
 - (6) Where a distribution exemption holder receives a notice under sub-paragraph (5)(b), it must, as soon as is reasonably practicable after that receipt, provide the relevant third party supplier with a copy of that notice.
 - (7) Where the Authority does not approve the methodology proposed by the distribution exemption holder, the Authority must give reasons for that decision.
 - (8) Where the Authority does not approve the methodology proposed by the distribution exemption holder and the distribution exemption holder still wishes to impose a use of system charge the distribution exemption holder must—
 - (a) submit to the Authority a charging statement containing details of a revised methodology;
 - (b) provide the Authority with a copy of such other information as the Authority may request in respect of that revised methodology; and
 - (c) provide the relevant third party supplier with a copy of the charging statement.
 - (9) Where at any time a distribution exemption holder wishes to modify a methodology that has previously been approved under this Schedule and is used by it for calculating a use of system charge levied for the use of a distribution system other than a closed distribution system, the distribution exemption holder must—
 - (a) submit to the Authority a charging statement containing details of the proposed revised methodology;
 - (b) provide the Authority with a copy of such other information as the Authority may request; and
 - (c) provide the relevant third party supplier, and any other third party supplier who would be affected by the modification proposed, with a copy of the charging statement.

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- (10) If a distribution exemption holder takes the steps required by sub-paragraph (8) or (9), sub-paragraphs (5) to (7) apply as if it had complied with sub-paragraph (2)(c).
- (11) For the purposes of sub-paragraphs (2)(d), (6), (8)(c) and (9)(c), a duty to provide anything to “the relevant third party supplier” is a duty to provide it—
- (a) if at the time when the duty is discharged the distribution exemption holder has received a notice from the customer under paragraph 2(1), to the third party supplier identified in that notice; or
 - (b) if at the time when the duty is discharged the distribution exemption holder has not received such a notice from the customer, to any third party supplier identified in the expression of interest.
6. (1) Sub-paragraph (2) applies where a distribution exemption holder is under a duty to give access to its distribution system under paragraph 2(3), (6) or (9) or 3(12)(a).
- (2) Where and for so long as the distribution exemption holder is imposing a use of system charge, it must—
- (a) prepare and maintain distribution accounts in respect of the distribution system for each regulatory year;
 - (b) keep copies of those accounts for 6 years from the date of the transactions to which they relate; and
 - (c) notify the Authority of the address where those accounts are held.
- (3) In sub-paragraph (2)—
- “distribution accounts” means accounting records in relation to the business (the “distribution business”) constituted by the distribution activities of the distribution exemption holder’s business that—
- (a) are sufficient to show and explain the transactions of the distribution business, separate from any other transactions of the distribution exemption holder’s business;
 - (b) are sufficient to disclose with reasonable accuracy, at any time, the financial position of the distribution business at that time;
 - (c) contain entries from day to day of all sums of money received and expended in the course of the distribution business and the matters in respect of which the receipt and expenditure takes place; and
 - (d) contain a record of the assets and liabilities attributable to the distribution business;
- “regulatory year”, in relation to a distribution business, means—
- (a) a period of 12 months beginning on 1 April in any calendar year and ending on 31 March of the next calendar year; or
 - (b) where the distribution exemption holder wishes to align the accounting period for the distribution business with the accounting period for any other business it carries on or the business of any a person related to it, the period of 12 months used as the accounting period for that other business or the business of that related person.

Connection

7. (1) This paragraph applies where a distribution exemption holder is under a duty to give access to a third party supplier under paragraph 2(3), (6) or (9) or 3(12)(a).

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- (2) The third party supplier, or the customer who served the notice under paragraph 2(1), may require a connection to be made between the distribution exemption holder's distribution system and—
 - (a) the premises mentioned in paragraph 1(1)(a), or
 - (b) a pipe-line system operated or controlled by—
 - (i) a gas transporter, or
 - (ii) another distribution exemption holder.
- (3) The distribution exemption holder must, if required to make a connection pursuant to sub-paragraph (2) either—
 - (a) connect the premises or pipe-line system to its distribution system and supply and lay any pipe that may be necessary for that purpose; or
 - (b) where the distribution exemption holder and the person requiring the connection have agreed that a person other than the distribution exemption holder is to supply and lay any pipe that may be necessary for the purpose of connection, connect the premises or pipe-line system to its distribution system once that pipe has been supplied and laid.
- (4) The duty under sub-paragraph (3) must be performed in accordance with such terms as are agreed under paragraphs 8 and 9, or paragraph 10, for so long as the connection is required.
- (5) In this paragraph and paragraphs 8 to 10—
 - (a) any reference to a distribution exemption holder connecting any premises or pipe-line system includes a reference to maintaining the connection;
 - (b) any reference to requiring a connection includes a reference to requiring the connection to be maintained;
 - (c) any reference to supplying or laying a pipe includes a reference to the supply or laying of a pipe either by the installation of a new one or by the modification of an existing one; and
 - (d) any reference to a pipe includes a reference to any apparatus ancillary to the pipe.
8. (1) Where a distribution exemption holder is under a duty to connect any premises, or another pipe-line system, to its distribution system in accordance with paragraph 7(3)
 - (a)—
 - (a) any expenses reasonably incurred in making the connection or in supplying and laying the pipe must, if and to the extent that the distribution exemption holder requires, be met by the person requiring the connection;
 - (b) the distribution exemption holder may require the person requiring the connection to provide it with reasonable security for the payment to it of all money which may become due to it in respect of the supply and laying of the pipe;
 - (c) if the person requiring the connection fails to provide any security required under paragraph (b), or any security given by the person requiring the connection becomes invalid or insufficient and that person fails to provide alternative or additional security, the distribution exemption holder may if it thinks fit—
 - (i) where the connection has not been made, refuse to supply or lay the pipe for so long as the failure continues, or

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- (ii) where the connection is being maintained, disconnect the premises or pipe-line system in question;
 - (d) the distribution exemption holder may require the person requiring the connection to accept, in respect of the making of the connection and the supplying and laying of the pipe, any terms restricting any liability of the distribution exemption holder for economic loss resulting from negligence that it is reasonable in all the circumstances for that person to be required to accept.
- (2) The reference in sub-paragraph (1)(a) to expenses reasonably incurred in supplying a pipe includes a reference to the capitalised value of any expenses likely to be so incurred in continuing to supply it; and the reference in sub-paragraph (1)(b) to money which may become due in respect of the laying of the pipe is to be construed accordingly.
- (3) Where any sum has been deposited with a distribution exemption holder by way of security under sub-paragraph (1)(b), the distribution exemption holder must, on repaying the amount, also pay interest on that amount, calculated on a daily basis at the rate of 1 per cent above LIBOR, for the period beginning with the day following that on which the amount was deposited and ending on the day on which the amount is repaid.
- (4) In sub-paragraph (3), “LIBOR”, in relation to any day, means the sterling three-month London inter-bank offered rate in force for that day rounded if necessary to two decimal places.
- (5) Where the distribution exemption holder is under a duty to connect any premises, or another pipe-line system to its distribution system in accordance with paragraph 7(3)(b)—
 - (a) any expenses reasonably incurred in making the connection must, if and to the extent that the distribution exemption holder requires, be met by the person requiring the connection;
 - (b) the distribution exemption holder may require the person requiring the connection to accept any terms—
 - (i) indemnifying the distribution exemption holder in respect of any liability connected with the laying of the pipe, and
 - (ii) which it is reasonable in all the circumstances for the person requiring the connection to be required to accept; and
 - (c) the following will, from the time of the connection, vest in and become property, rights or liabilities of the distribution exemption holder—
 - (i) the pipe supplied and laid for the purpose of connection, and
 - (ii) any rights or liabilities of the owner or occupier of the premises, or of the person who operates or has control of the pipe-line system which relate to the laying, maintenance, repair, alteration or removal of the pipe.
- (6) Nothing in paragraph 7 is to be taken as requiring the distribution exemption holder to make a connection if and to the extent that—
 - (a) the distribution exemption holder is prevented from doing so by circumstances outside its control;
 - (b) circumstances exist by reason of which the connection would or might involve danger to the public, and the distribution exemption holder has taken

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- all reasonable steps to prevent the circumstances from occurring and to prevent them from having that effect; or
- (c) it is not reasonable in all the circumstances for the distribution exemption holder to be required to do so.
- (7) Without prejudice to the generality of sub-paragraph (6), nothing in paragraph 7 is to be taken as requiring the distribution exemption holder to make a connection if any consent that is necessary for the connection to be made or, as the case may be, for the pipe to be supplied and laid, has not been given.
- (8) Sub-paragraphs (1)(c)(ii) and (6)(c), do not permit a distribution exemption holder to disconnect any premises or pipe-line system unless the distribution exemption holder has given the owner and the occupier of the premises or (as the case may be) the person who operates or has control of the pipe-line system not less than 7 working days' notice of its intention to disconnect.
- (9) Nothing in paragraph 7 is to be taken as requiring a distribution exemption holder to connect any premises or pipe-line system if the supply of gas to the premises or pipe-line system is likely to exceed 75,000 therms in any period of 12 months.
9. (1) This paragraph applies where a distribution exemption holder is required to connect its distribution system to any premises or pipe-line system under paragraph 7.
- (2) Except where an agreement under paragraph 10(1) is in place, the distribution exemption holder must comply with the requirements of sub-paragraph (3) as soon as is reasonably practicable after the person requiring the connection has—
- (a) served on the distribution exemption holder a notice requesting that the distribution exemption holder offer terms for making the connection; and
 - (b) provided the distribution exemption holder with the following information—
 - (i) details of the premises or pipe-line system from which the connection to the distribution exemption holder's distribution system is required, including the location of the premises or pipe-line system,
 - (ii) the date on or by which the person requiring the connection proposes that the work necessary for the connection to be made should be carried out,
 - (iii) details of the person by whom the person requiring the connection proposes that the pipe should be supplied and laid,
 - (iv) the maximum pressure at which gas may be required to be conveyed through the connection,
 - (v) details of any other requirements that the person requiring the connection has, including any metering requirements, and
 - (vi) any other information in relation to the required connection reasonably requested by the distribution exemption holder.
- (3) The distribution exemption holder must serve on the person requiring the connection a notice—
- (a) raising any concerns that it has with the information provided in accordance with sub-paragraph (2)(b);
 - (b) proposing arrangements for any security that the person requiring the connection will be required to pay to it under paragraph 8(1)(b);
 - (c) proposing arrangements for any payment that the person requiring the connection will be required to make under paragraph 8(1)(a) or (5)(a);

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- (d) stating any terms that the person requiring a connection will be required to accept under paragraph 8(1)(d), restricting the distribution exemption holder's liability;
 - (e) stating any terms for indemnity that the person requiring a connection will be required to accept under paragraph 8(5)(b); and
 - (f) proposing any other terms on which it will make the connection.
- (4) The distribution exemption holder must negotiate in good faith with the person requiring the connection and endeavour to reach an agreement on the terms and conditions for that connection.
10. (1) The distribution exemption holder may enter into an agreement with a person requiring a connection in pursuance of paragraph 7(2) for the making of a connection on such terms as may be agreed by the parties.
- (2) So long as the agreement is effective, the rights and liabilities of the parties shall be those arising under the agreement and not those provided for under paragraphs 7 to 9.
11. (1) Section 27A (determination of certain disputes) has effect as if the disputes mentioned in section 27A(1) included a dispute arising under paragraphs 7 to 9 of this Schedule between a distribution exemption holder and a person requiring a connection in pursuance of paragraph 7(2).
- (2) In the application of section 27A in relation to such a dispute, that section is to be read as if—
- (a) subsection (2) provided that such a dispute, if relating to the connection of any premises to a pipe-line system operated or controlled by a distribution exemption holder, may not be referred to the Authority after the end of the period of 12 months beginning with the time when the connection is made;
 - (b) in subsection (5) the references to a gas transporter were to a distribution exemption holder, and the reference to a person requiring a connection to a main of the transporter were to a person requiring a connection in pursuance of paragraph 7(2) of this Schedule;
 - (c) subsection (6) and the reference to that subsection in subsection (8) were omitted; and
 - (d) the reference in subsection (7) to a dispute arising under section 11(1) were to a dispute arising under paragraph 8(1)(b) or (c) of this Schedule.
- (3) The references in sub-paragraphs (1) and (2)(b) to a person requiring a connection in pursuance of paragraph 7(2) are to be construed in accordance with paragraph 7(5).

Closed distribution systems

12. (1) A distribution exemption holder may apply to the Authority for an exempt distribution system operated or controlled by it to be classified as a closed distribution system.
- (2) Where the Authority has received an application from a distribution exemption holder under sub-paragraph (1) (a “closed distribution system application”), it must classify the distribution system as a closed distribution system if the Authority considers that all of the following criteria are met—
- (a) the distribution system is not used for the purpose of supplying gas to household customers, or is used to supply fewer than 50 household customers who—

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- (i) are employees of, or work for or otherwise render services to, the distribution exemption holder or a person related to the distribution exemption holder; and
 - (ii) take a supply of gas that is wholly or mainly from a gas production site embedded in the distribution system;
 - (b) the distribution system is wholly or mainly used for distributing gas within a geographically self-contained industrial, commercial or shared services site and is not integrated with any pipe-line system operated by a gas transporter; and
 - (c) the distribution system is wholly or mainly used either—
 - (i) by system users whose businesses, for technical or safety-related reasons, have operational or production processes that are integrated with those of other system users of that distribution system; or
 - (ii) for the purpose of supplying gas to premises owned or occupied by the distribution exemption holder or by a person related to the distribution exemption holder.
- (3) In sub-paragraph (2) “gas production site” means a site on which a person carries on an activity by virtue of which the person is a gas producer within the meaning of section 7.
- (4) A closed distribution system application must—
- (a) identify the distribution system to which the application relates;
 - (b) include any evidence available to the applicant to support that application; and
 - (c) provide any further information or documents that the Authority may request in respect of that application;
- (5) The Authority must decide whether to classify a distribution system as a closed distribution system as soon as is reasonably practicable after the Authority has received—
- (a) the closed distribution system application; and
 - (b) any further information or documents requested by it in under sub-paragraph (4)(c).
- (6) The Authority must notify the distribution exemption holder of its decision as soon as is reasonably practicable after that decision has been made.
13. (1) Paragraph 5(1) to (8) does not apply in relation to any use of system charge (or proposed use of system charge) that relates to a closed distribution system.
- (2) Where a distribution exemption holder that operates or has control of a closed distribution system receives an expression of interest from a customer who owns or occupies premises that are connected to that system, it must—
- (a) include in any notice served under paragraph 1(4) a statement that its distribution system is a closed distribution system; and
 - (b) within 7 working days beginning with the day on which it receives the expression of interest, by notice inform any third party supplier identified in the expression of interest that its distribution system is a closed distribution system.
14. (1) Sub-paragraphs (2) and (3) apply if a customer has served an expression of interest with respect to a closed distribution system and—

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- (a) the customer, or a third party supplier identified in the expression of interest, serves a notice on the distribution exemption holder requesting that the methodology for a proposed use of system charge be submitted to the Authority for approval; and
 - (b) at the time of receiving the request the distribution exemption holder has not received any confirmation under paragraph 2(1) that the customer has entered into a contract with a third party supplier.
- (2) From the time when the distribution exemption holder receives that request, paragraph 5(1) to (8) has effect in relation to the closed distribution system as if paragraph 13(1) did not have effect.
- (3) For the purposes of the application of paragraph 5(2) in relation to the proposed use of system charge mentioned in sub-paragraph (1)(a), the reference in paragraph 5(3) to the “expression of interest” is to be read as a reference to the request mentioned in sub-paragraph (1)(a).
- (4) Sub-paragraphs (5) to (11) apply where a customer who owns or occupies premises that are connected to a closed distribution system has served a notice under paragraph 2(1) confirming that it has entered into a contract with a third party supplier (“the confirmed third party supplier”) and—
 - (a) the customer or the confirmed third party supplier serves on the distribution exemption holder that operates or has control of the closed distribution system a notice requesting that the methodology for a use of system charge that is being applied by the distribution exemption holder be submitted to the Authority for approval;
 - (b) the methodology for calculating the charge has not previously been approved under this Schedule; and
 - (c) at the time of receiving the notice under paragraph (a), the distribution exemption holder has received the notice served under paragraph 2(1).
- (5) The distribution exemption holder must, within 20 working days beginning with the day on which it receives the request under sub-paragraph (4)(a)—
 - (a) provide the Authority with—
 - (i) a charging statement in respect of the methodology for any use of system charge applied at the time of the request being made; and
 - (ii) such other information or documents as the Authority may specify; and
 - (b) provide the customer and the confirmed third party supplier with a copy of that charging statement.
- (6) Where the Authority has requested further documents or information in accordance with sub-paragraph (5)(a)(ii) at a time when there are fewer than 10 working days remaining in the 20 working day period mentioned in sub-paragraph (5), those further documents or information must be provided within 10 working days beginning with the day of the distribution exemption holder’s receipt of that request for further documents or information.
- (7) Where the distribution exemption holder has complied with sub-paragraph (5)(a), the Authority must, as soon as is reasonably practicable—
 - (a) decide whether to approve the methodology set out in the charging statement; and

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- (b) notify the distribution exemption holder and the confirmed third party supplier of its decision.
- (8) Where the Authority does not approve the methodology, the Authority must give reasons for that decision.
- (9) Where the Authority has notified the distribution exemption holder of a decision that it does not approve the methodology, the distribution exemption holder must not continue to impose a use of system charge, except where the Authority has considered the methodology for such a charge by virtue of sub-paragraph (11) and has approved it.
- (10) Where the Authority does not approve the methodology submitted under sub-paragraph (5)(a) the distribution exemption holder may—
 - (a) submit to the Authority a charging statement containing details of a revised methodology;
 - (b) provide the Authority with such other information or documents as the Authority may specify; and
 - (c) send a copy of the charging statement to the customer and the confirmed third party supplier.
- (11) If the distribution exemption holder takes the steps mentioned in sub-paragraph (10) (a) to (c), sub-paragraphs (7) and (8) apply as if it had complied with sub-paragraph (5)(a).
- (12) Where at any time a distribution exemption holder wishes to modify a methodology that has previously been approved under this Schedule and is used by it for calculating a use of system charge levied for the use of a closed distribution system, the distribution exemption holder must—
 - (a) submit to the Authority a charging statement containing details of the proposed revised methodology;
 - (b) provide the Authority with a copy of such other information or documents as the Authority may request; and
 - (c) send a copy of the charging statement to the customer, the confirmed third party supplier and any other third party supplier who would be affected by the modification proposed.
- (13) If the distribution exemption holder takes the steps mentioned in sub-paragraph (12) (a) to (c), sub-paragraphs (7) and (8) apply as if it had complied with sub-paragraph (5)(a).

Change of circumstance in respect of a closed distribution system

- 15. (1) If, after a system has been classified as a closed distribution system, there is a change of circumstance which affects, or might affect, whether the system continues to meet the criteria set out in paragraph 12(2), the distribution exemption holder that operates or has control of the distribution system must notify the Authority of the change as soon as is reasonably practicable after it occurs.
- (2) If the distribution exemption holder that operates or has control of the distribution system wishes the system to continue to be classified as a closed distribution system, it must include in the notice an application to the Authority asking the Authority to confirm the classification.

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- (3) Any application under sub-paragraph (2) must—
 - (a) identify the distribution system to which the application relates;
 - (b) include any evidence available to the applicant to support that application; and
 - (c) provide any further information or documents that the Authority may request in respect of that application.
- (4) Where the Authority has received a notice under sub-paragraph (1), it must, as soon as is reasonably practicable, either—
 - (a) revoke the classification; or
 - (b) confirm the classification if—
 - (i) the notice includes an application made under sub-paragraph (2);
 - (ii) the Authority has received any further information or documents requested by it; and
 - (iii) the Authority considers that the criteria set out in paragraph 12(2) continue to be met.
- (5) The Authority must notify the applicant of its decision under sub-paragraph (4) as soon as is reasonably practicable after the decision has been made.

Interpretation

16. (1) In this Schedule—
- “charging statement” (in relation to a distribution exemption holder who proposes to impose a use of system charge) is to be construed in accordance with paragraph 5(2)(b);
- “closed distribution system” means a system classified as a closed distribution system by the Authority under paragraph 12(2);
- “customer” means a person who purchases gas for the person’s own consumption;
- “distribution system” means a pipe-line system by means of which the person who operates or has control of the system conveys gas in circumstances such that—
- (a) that person is thereby carrying on an activity such as is mentioned in section 5(1)(a); and
 - (b) the whole or part of that activity is also an activity of distribution within the meaning given by Article 2(5) of the Gas Directive;
- “expression of interest” has the meaning given by paragraph 1(2);
- “household customer” means a customer who purchases gas for consumption by the customer’s own household;
- “pipe-line system” includes the pipes and any associated apparatus comprised in that system;
- “system user” in relation to a distribution system, means—
- (a) a person supplying gas that is being conveyed by means of that distribution system; or
 - (b) a customer who owns or occupies premises that are connected to that distribution system;

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“third party supplier”, in relation to a distribution exemption holder, means any authorised supplier that is not related to the distribution exemption holder;

“use of system charge”, in relation to a distribution exemption holder, means a charge which—

- (a) is levied by the distribution exemption holder on a third party supplier identified in an expression of interest that has been served on the distribution exemption holder; and
- (b) is for use of the exempt distribution system to which the expression of interest relates.

- (2) For the purposes of this Schedule, a person (“A”) is related to another person (“B”) where A is—
 - (a) an undertaking in which B has a participating interest within the meaning of section 421A of the Financial Services and Markets Act 2000;
 - (b) a holding company of B;
 - (c) a subsidiary of B; or
 - (d) a subsidiary of a holding company of B.
- (3) For the purposes of sub-paragraph (2) “holding company” and “subsidiary” are to be construed in accordance with section 1159 of the Companies Act 2006.

SCHEDULE 2AB

Section 6C

DUTIES OF SUPPLY EXEMPTION HOLDERS

Change of supplier

1. (1) This paragraph applies if a supply exemption holder enters into a contract with a customer to start supplying gas to any premises.
- (2) The supply exemption holder must, within 7 days beginning with the day on which the contract is entered into, give any person who is currently supplying gas to the premises a notice stating—
 - (a) that the contract has been entered into, and
 - (b) when the supply exemption holder will start supplying gas to the premises.
- (3) Subject to sub-paragraphs (4) and (7), the supply exemption holder must start supplying gas to the premises within 21 days of the relevant date.
- (4) The supply exemption holder need not comply with sub-paragraph (3) if—
 - (a) the customer requests that the supply start on a later date;
 - (b) the customer terminates, or gives notice to terminate, the contract; or
 - (c) one or more of the reasons in sub-paragraph (5) applies.
- (5) The reasons in this sub-paragraph are—
 - (a) that the supply exemption holder—
 - (i) does not have all of the information it requires in order to start supplying gas to the premises, despite having taken all reasonable steps to obtain the missing information from the customer; and

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- (ii) cannot readily obtain that information from another source;
 - (b) that the customer is taking a supply of gas through an exempt distribution system and the supply exemption holder is unable to start supplying gas to the premises because—
 - (i) a connection which the customer or supply exemption holder requires to be made in pursuance of paragraph 7(2) of Schedule 2AA has not yet been made; or
 - (ii) the distribution exemption holder has specified, in a notice under paragraph 1(6)(a)(i) of Schedule 2AA, a metering arrangement which it considers would be required for access to be given to a third party supplier (within the meaning of that Schedule) and that metering arrangement is not yet in place;
 - (c) that any other circumstance which is outside the control of the supply exemption holder and which it has taken all reasonably practicable steps to resolve prevents it from starting to supply gas to the premises.
- (6) If, because of a reason in sub-paragraph (5), a supply exemption holder is not required to start supplying gas to the premises within 21 days of the relevant date, it must start supplying gas to the premises as soon as is reasonably practicable after the reason ceases to apply, and in any event within 21 days of the date on which the reason ceases to apply (but if there is more than one reason, references in this sub-paragraph to a reason's ceasing to apply are to all the reasons' having ceased to apply).
- (7) If another supply exemption holder is currently supplying gas to the premises and has objected to the change of supplier under paragraph 2, then the supply exemption holder mentioned in sub-paragraph (1) above—
 - (a) must not start supplying gas to the premises before that objection is resolved; but
 - (b) must start supplying gas to the premises as soon as is reasonably practicable after the objection is resolved, and in any event within 21 days of the date on which the objection is resolved.
- (8) For the purposes of sub-paragraph (7) an objection made under paragraph 2 is taken to be resolved—
 - (a) in the case of an objection based on the reason in paragraph 2(5)(a) alone—
 - (i) when the customer, or the supply exemption holder who made the objection, informs the supply exemption holder mentioned in sub-paragraph (1) above that the debt has been paid off in full; or
 - (ii) when an arrangement such as is mentioned in paragraph 2(5)(a)(iii) is made with respect to the debt;
 - (b) in the case of an objection based on the reason in paragraph 2(5)(b) alone, when the period mentioned in that paragraph expires;
 - (c) in the case of an objection based on both those reasons, when the objection has been resolved in relation to each reason in accordance with paragraphs (a) and (b) above; or
 - (d) in any case, when the objection is withdrawn.
- (9) In this paragraph “the relevant date” means—
 - (a) the day after the day on which the supply exemption holder enters into the contract mentioned in sub-paragraph (1); or
 - (b) if, after the contract is entered into, there is a period within which the customer may decide not to proceed with it, the earlier of—

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- (i) the day after the day on which that period ends; or
 - (ii) the 14th day after the day on which the contract was entered into.
2. (1) This paragraph applies if—
- (a) a person (“the new supplier”) has entered into a contract with a customer to start supplying electricity to any premises; and
 - (b) a supply exemption holder is currently supplying electricity to the premises under a contract with that customer.
- (2) If one or more of the reasons in sub-paragraph (5) applies, the supply exemption holder may object to the change of supplier by sending notice of the objection and the reason (or reasons) for it to—
- (a) the new supplier; and
 - (b) the customer.
- (3) A notice under sub-paragraph (2) must be sent—
- (a) as soon as reasonably practicable; and
 - (b) if the supply exemption holder is notified under paragraph 1(2), or in accordance with a condition in a licence, that the contract has been entered into, not later than the end of the 14th day after the day on which it receives that notification.
- (4) If the supply exemption holder objects to a change of supplier because of the reason in sub-paragraph (5)(b), the notice of this objection must also state when the period mentioned in that sub-paragraph will expire.
- (5) The reasons in this sub-paragraph are that—
- (a) the customer owes money (“the debt”) to the supply exemption holder in respect of gas supplied to the customer and—
 - (i) the supply exemption holder has demanded payment of the debt;
 - (ii) at least 28 days have passed since the date on which the demand was sent to the customer and any date for payment stated in the demand has also passed; and
 - (iii) the new supplier and the supply exemption holder have not agreed to an arrangement under which some or all of the debt will be assigned to the new supplier; or
 - (b) a contract between the supply exemption holder and the customer includes a term which prevents the customer from terminating that contract within a specified period which has not expired.
- (6) The supply exemption holder must comply with any reasonable request from the new supplier to provide any information, or take any other steps, required to enable the new supplier to start supplying gas to the customer’s premises.
3. (1) A supply exemption holder must not require a household customer to pay any sum in respect of a change of supplier by that household customer.
- (2) Sub-paragraph (1) does not prevent a supply exemption holder from requiring payment of any termination fee payable under any contract between it and the household customer.
- (3) A supply exemption holder must take all reasonable steps to ensure that a final bill in respect of any unpaid charges for gas supplied to a household customer’s premises

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is sent to that customer within 6 weeks of the date on which the supply exemption holder stops supplying gas to the premises.

Customer contracts

4. (1) Where a supply exemption holder enters into a contract with a household customer for the supply of gas it must provide the customer with a copy of the contract.
- (2) The contract must specify—
 - (a) the identity and address of the supply exemption holder;
 - (b) the services provided, including any maintenance services provided;
 - (c) any service quality levels that are to be met;
 - (d) if a connection is required, when that connection will take place;
 - (e) the means by which up-to-date information may be obtained about—
 - (i) any applicable tariffs and maintenance charges; and
 - (ii) the supply exemption holder's standard terms and conditions;
 - (f) the duration of the contract;
 - (g) any conditions for renewal of the contract;
 - (h) any conditions for termination of the contract or of any services provided under it, and whether the customer can terminate the contract if the supply exemption holder increases the applicable tariffs or charges, or changes one or more of the main contractual conditions;
 - (i) any charges for early termination of the contract;
 - (j) any compensation and refund arrangements which apply if any service quality levels specified in the contract are not met, including any arrangements which apply in the event of inaccurate or delayed billing;
 - (k) the methods of dispute resolution available to the customer in the event of a dispute with the supply exemption holder, including how such dispute resolution procedures can be initiated; and
 - (l) where further information on the customer's rights as a consumer of gas can be found.
- (3) If a supply exemption holder intends to increase the applicable tariffs or charges payable under a contract with a household customer it must inform that customer of the change and of any applicable termination rights as soon as practicable and no later than the date on which the customer is first charged for electricity at the increased rate.
- (4) If a supply exemption holder intends to change any of the main contractual conditions of a contract with a household customer it must inform that customer of the change and of any applicable termination rights at least one month before the change is to come into effect.
- (5) Any charge made under the contract for offering a particular payment method, including any charge for use of a pre-payment meter, must reflect the cost to the supply exemption holder of making that payment method available.
- (6) A supply exemption holder must not treat a household customer or groups of household customers differently without good reason when offering different payment methods to customers.

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- (7) In this paragraph, “main contractual conditions” means any conditions of the contract which relate to a matter mentioned in any of paragraphs (b), (c) and (f) to (j) of subparagraph (2).

Customer information

5. (1) No later than 12 months after entering into a contract with a customer to start supplying gas to any premises, and at intervals of not less than 12 months thereafter, a supply exemption holder must send the customer the information specified in subparagraph (3), (4) or (5) (whichever is applicable).
- (2) But the supply exemption holder is required to specify the matters mentioned in subparagraphs (3)(b) and (4)(b) only so far as it is reasonably practicable to do so.
- (3) If the customer is charged for its supply wholly or partly by reference to the quantity of gas supplied and a meter records the quantity supplied to that customer separately from the quantity supplied to other customers, the information in question is—
- (a) the number of that meter if it has one;
 - (b) the amount of gas recorded by that meter as having been consumed by that customer in the 12 months immediately preceding the date on which the information is sent (or in the part of that period during which the supply exemption holder supplied electricity to those premises under the contract with the customer); and
 - (c) the total cost that the customer has been charged for that gas.
- (4) If the customer is charged for its supply wholly or partly by reference to the quantity of gas supplied and that quantity is not recorded using a separate meter, the information in question is—
- (a) the number of any meter that recorded the total gas consumed by that customer and other customers in the 12 months immediately preceding the date on which the information is sent (or in any part of that period during which the supply exemption holder supplied gas to those premises under the contract with the customer);
 - (b) the amount of gas recorded by that meter; and
 - (c) an explanation as to how the proportion of gas charged to the customer was determined.
- (5) If the customer is not charged for its supply by reference to the quantity of gas supplied, the information in question is the total cost that the customer has been charged for that gas in the 12 months immediately preceding the date on which the information is sent.
- (6) A supply exemption holder who is supplying electricity to any premises under a contract with a customer must comply with any written request by the customer to send relevant information—
- (a) to the customer, or
 - (b) to a person who is not currently supplying electricity to the premises under a contract with the customer but has expressed an interest in doing so.
- (7) In sub-paragraph (6) “relevant information” means—
- (a) if information has been sent to a customer in accordance with subparagraph (1) in the previous 12 months, a copy of that information;

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- (b) in any other case, so much of the information referred to in sub-paragraph (1) as can be readily provided by the supply exemption holder.
- (8) A supply exemption holder must not require a customer to pay for any costs associated with preparing or sending information to the customer, or to any other person at the customer's request, in accordance with this paragraph.
- 6. (1) A supply exemption holder must—
 - (a) with each bill inform each customer what methods of dispute resolution are available to the customer in the event of a dispute with the supply exemption holder; and
 - (b) with each bill inform each household customer—
 - (i) where the energy consumer guidance and the concise guidance can be found; and
 - (ii) that the household customer has a right to request a copy of the concise guidance from the supply exemption holder.
- (2) At the end of any period of 12 months during which a supply exemption holder has supplied a customer with gas but has not sent a bill (nor provided the customer with information under this sub-paragraph) the supply exemption holder must inform the customer of—
 - (a) the matters mentioned in sub-paragraph (1)(a), and
 - (b) if the customer is a household customer, the matters mentioned in sub-paragraph (1)(b).
- (3) A supply exemption holder must send a household customer a copy of the concise guidance within one month of receiving a request for it from or on behalf of that customer.
- (4) A supply exemption holder must not require a customer to pay for any costs associated with preparing or sending information to the customer in accordance with this paragraph.
- (5) In this paragraph—
 - (a) “the energy consumer guidance” means any guidance such as is mentioned in section 19A(1)(a) of the Consumers, Estate Agents and Redress Act 2007 which is published under that section; and
 - (b) “the concise guidance” means any summary such as is mentioned in section 19A(1)(b) of that Act which is so published.

Determination of disputes

- 7. (1) Sections 27C and 27D apply in relation to an exempt supply dispute as they apply in relation to an Article 41 dispute such as is mentioned in section 27B(1), but as if in section 27C(8) the words “against whom a complaint is made as mentioned in section 27B(1)(a), and” were omitted.
- (2) A dispute is an “exempt supply dispute” if—
 - (a) it is wholly or mainly a dispute—
 - (i) regarding an obligation of a supply exemption holder under this Schedule; or

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- (ii) as to whether a supply exemption holder who has objected to a change of supplier because of a reason in paragraph 2(5) of this Schedule was entitled to object on that basis;
- (b) it arises from a written complaint made against the supply exemption holder; and
- (c) it is a dispute between the complainant and that supply exemption holder.

Interpretation

8. In this Schedule, unless the context otherwise requires—
- “customer” means a person who purchases gas for the person’s own consumption;
 - “household customer” means a customer who purchases gas for consumption by the customer’s own household.]

[^{F571}SCHEDULE 2B

THE GAS CODE

Textual Amendments

F571 Sch. 2B inserted (1.3.1996) by 1995 c. 45, s. 9(2), **Sch. 2**; S.I. 1996/218, **art. 2**

Preliminary

- 1 (1) In this Schedule, unless the context otherwise requires—
- “the appointed day ” means the day appointed under section 18(2) of the Gas Act 1995;
 - “connect ”, in relation to any premises, means connect to a main of a [^{F572}gas transporter], whether directly or by means of a service pipe, and “disconnect ” and “re-connect ” have corresponding meanings except that they also include discontinuing or, as the case may be, resuming the conveyance of gas to the premises;
 - “consumer ” means a person who is supplied with gas conveyed to particular premises (in this Schedule referred to as his premises) by a public gas transporter;
 - “relevant gas supplier ” and “relevant gas shipper ”, in relation to a consumer, mean respectively any gas supplier who is supplying him with gas conveyed to his premises and any gas shipper who has made arrangements in pursuance of which gas is conveyed to those premises.
- (2) In so far as the provisions of this Schedule, other than paragraphs 20 to 22 below, apply in relation to a [^{F572}gas transporter], gas supplier or gas shipper, they shall have effect subject to any conditions of his licence.

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Textual Amendments

F572 Words in Sch. 2B para. 1 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, art. 2, **Sch.** (subject to transitional provisions in arts. 3-20)

Consumption of gas to be ascertained by meter

- 2
- (1) Every consumer shall take his supply through a meter—
 - (a) the use of which does not contravene section 17 of this Act; and
 - (b) which is of a type appropriate for registering the quantity of gas supplied.
 - (2) In default of the consumer's doing so or agreeing to do so—
 - (a) the ^{F573}gas transporter] may disconnect or, as the case may be, refuse to connect his premises; and
 - (b) any relevant gas supplier may cut off the supply of gas to his premises.

Textual Amendments

F573 Words in Sch. 2B para. 2 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, art. 2, **Sch.** (subject to transitional provisions in arts. 3-20)

Meters to be kept in proper order

- 3
- (1) Every consumer shall at all times, at his own expense, keep all meters—
 - (a) which belong to him, or which are lent or hired to him and are owned otherwise than by the ^{F574}gas transporter] or a relevant gas supplier; and
 - (b) by which the quantity of gas supplied is registered,in proper order for correctly registering the quantity of gas.
 - (2) In default of the consumer's doing so—
 - (a) the ^{F574}gas transporter] may disconnect his premises; and
 - (b) any relevant gas supplier may cut off the supply of gas to his premises.
 - (3) In the case of any consumer, the ^{F574}gas transporter] or any relevant gas supplier shall at all times, without charge to the consumer, keep any meter which is owned by him and is lent or hired to the consumer in proper order for correctly registering the quantity of gas supplied.
 - (4) Sub-paragraph (3) above is without prejudice to any remedy the transporter or supplier may have against the consumer for failure to take proper care of the meter.
 - (5) In the case of any consumer, the ^{F574}gas transporter], any relevant gas supplier and any relevant gas shipper—
 - (a) shall have power to remove, inspect and re-install any meter by which the quantity of gas supplied is registered; and
 - (b) shall, while any such meter is removed, fix a substitute meter on the premises;and, subject to sub-paragraph (6) below, the cost of removing, inspecting and re-installing a meter and of fixing a substitute meter shall be defrayed by the transporter, supplier or shipper.

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- (6) Where such a meter is removed for the purpose of being examined by a meter examiner in accordance with section 17 of this Act, the expenses incurred in removing, examining and re-installing the meter and fixing a substitute meter shall be defrayed as follows—
- (a) if the examination is carried out at the request of any person and the meter is found in proper order, by that person;
 - (b) if the meter is not so found, by the person required by sub-paragraph (1) or (3) above to keep the meter in proper order.
- (7) A meter is found in proper order for the purposes of sub-paragraph (6) above if it is found to register correctly or to register erroneously to a degree not exceeding the degree permitted by regulations under section 17 of this Act.
- (8) Nothing in this paragraph shall apply in relation to any meter which, in pursuance of an agreement falling within section 17(14) of this Act, is used for ascertaining the quantity of gas supplied to a consumer if either—
- (a) the agreement was entered into before the appointed day; or
 - (b) the [^{F574}gas transporter] and each relevant gas shipper have agreed that the meter should be kept in proper order by a person other than the consumer.

Textual Amendments

F574 Words in Sch. 2B para. 3 substituted (1.10.2001) by 2000 c. 27, s. 108, Sch. 6 Pt. I para. 2(1); S.I. 2001/3266, art. 2, Sch. (subject to transitional provisions in arts. 3-20)

Modifications etc. (not altering text)

C58 Sch. 2B para. 3(6)(b) applied (with modifications) (1.3.1996) by S.I. 1996/399, art. 7(2)(b)

Meter as evidence of quantity of gas supplied

- 4 (1) This paragraph applies where a consumer is supplied with gas through a meter at a rate not exceeding 75,000 therms a year.
- (2) Subject to sub-paragraph (3) below, the register of the meter shall be prima facie evidence of the quantity of gas supplied.
- (3) Where the meter is found, when examined by a meter examiner appointed under section 17 of this Act, to register erroneously to a degree exceeding the degree permitted by regulations under that section, the meter shall be deemed to have registered erroneously to the degree so found since the relevant date, except in a case where it is proved to have begun to do so on some later date.
- (4) In sub-paragraph (3) above “the relevant date ” means—
- (a) the penultimate date on which, otherwise than in connection with the examination, the register of the meter was ascertained; or
 - (b) if regulations so provide, such other date as may be determined by or under the regulations.

Installation of meters in new premises etc.

- 5 (1) This paragraph applies where a meter is to be used to register the quantity of gas supplied to a consumer and—

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- (a) gas has not previously been conveyed by the [^{F575}gas transporter] to the consumer's premises;
 - (b) a new or substituted pipe is to be laid between the transporter's main and the meter; or
 - (c) the meter is to be installed in a different position.
- (2) Subject to sub-paragraph (3) below, the meter shall be installed as near as practicable to the [^{F576}gas transporter's] main, but within a building comprised in the premises.
- (3) The meter may be installed otherwise than within a building comprised in the premises if it is installed either—
- (a) in accommodation of a type and construction approved by the [^{F575}gas transporter] by an approval given in relation to premises generally, or to any class or description of premises; or
 - (b) in a separate meter house or other accommodation outside a building comprised in the premises which is approved by the transporter in the case of those particular premises.
- (4) If the requirements of this paragraph are not complied with, the [^{F575}gas transporter] may refuse to connect or, as the case may be, disconnect the consumer's premises.

Textual Amendments

F575 Words in Sch. 2B para. 5 substituted (1.10.2001) by 2000 c. 27, s. 108, Sch. 6 Pt. I para. 2(1); S.I. 2001/3266, art. 2, Sch. (subject to transitional provisions in arts. 3-20)

F576 Words in Sch. 2B para. 5(2) substituted (1.10.2001) by 2000 c. 27, s. 108, Sch. 6 Pt. I para. 2(2); S.I. 2001/3266, art. 2, Sch. (subject to transitional provisions in arts. 3-20)

Meters for disabled persons

- 6 Where, in the case of any consumer, the [^{F577}gas transporter] or a relevant gas supplier, for the purpose of meeting the needs of a disabled person—
- (a) alters the position of any gas meter which is owned by the transporter or supplier and is lent or hired to the consumer; or
 - (b) replaces such a meter with one which has been specially adapted,
- the transporter or supplier shall not charge the consumer for the alteration or replacement.

Textual Amendments

F577 Words in Sch. 2B para. 6 substituted (1.10.2001) by 2000 c. 27, s. 108, Sch. 6 Pt. I para. 2(1); S.I. 2001/3266, art. 2, Sch. (subject to transitional provisions in arts. 3-20)

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[^{F578} Use of pre-payment meters

Textual Amendments

F578 Sch. 2B para. 6A and cross-heading inserted (1.10.2001) by 2000 c. 27, s. 84(2); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

- [^{F579}6A(1) A pre-payment meter installed by an authorised supplier through which a consumer takes his supply of gas shall not be used to recover a sum unless—
- (a) the sum is owed to an authorised supplier in respect of the supply of gas to the premises on which the meter is installed or in respect of the provision of the meter; or
 - (b) the recovery of the sum in that manner is permitted by both—
 - (i) regulations made by the Authority; and
 - (ii) an agreement falling within sub-paragraph (2) below between the consumer and the person to whom the sum is owed.
- (2) An agreement falls within this sub-paragraph if—
- (a) the person to whom the sum is owed is a person who is authorised by regulations made by the Authority to enter into agreements falling within this sub-paragraph;
 - (b) the agreement permits that person to use the meter in question to recover such sums as may be specified in or determined under the agreement; and
 - (c) the agreement complies with the requirements specified for the purposes of this sub-paragraph by regulations made by the Authority.
- (3) The sums that regulations under this paragraph may permit the recovery of through a pre-payment meter include—
- (a) sums owed to a person other than an authorised supplier;
 - (b) sums owed in respect of premises other than the premises on which the meter is installed;
 - (c) sums owed in respect of matters other than the supply of gas.
- (4) Before making regulations under this paragraph the Authority must consult—
- (a) the Council;
 - (b) all authorised suppliers;
 - (c) such other persons as the Authority considers appropriate.
- (5) The approval of the Secretary of State is required for the making of regulations under this paragraph.]]

Textual Amendments

F579 Sch. 2B para. 6A substituted (5.10.2004) by Energy Act 2004 (c. 20), ss. 181(1), 198(2); S.I. 2004/2575, art. 2(1), Sch. 1

Recovery of gas charges etc.

- 7 (1) Sub-paragraphs (3) and (4) below apply where—

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- (a) a demand in writing is made by a gas supplier for the payment of any of the charges due to him from a consumer in respect of the supply of gas to [^{F580}any premises of his (in this paragraph referred to as “the premises ”)]; and
- (b) the consumer does not pay those charges within 28 days after the making of the demand.

[Sub-paragraph (3) below also applies where—

- ^{F581}(2) (a) a request in writing is made by a gas supplier for the provision of a deposit by way of reasonable security for the payment of the charges due to him from a consumer in respect of the supply of gas to the consumer’s premises; and
- (b) the consumer does not provide such a deposit, or agree to take his supply through a pre-payment meter, within 7 days after the making of the request.]

- (3) If the supplier is a relevant supplier, he may, after giving not less than 7 days’ notice of his intention—

- [install a pre-payment meter on the premises in place of the existing meter; or
 - ^{F582}(a) (b) cut off the supply to the premises by disconnecting the service pipe at the meter or by such other means as he thinks fit;
- and the supplier may recover any expenses incurred in so doing from the consumer.]

- (4) If—

- (a) the supplier is not a relevant supplier but another supplier (“the new supplier”) is such a supplier; and
- (b) the supplier has assigned to the new supplier his right to recover any of the charges due to him from the consumer,

sub-paragraph (3) above shall apply as if any reference to the supplier were a reference to the new supplier.

- (5) The powers conferred by sub-paragraphs (3) and (4) above shall not be exercisable as respects any charges or deposit the amount of which is genuinely in dispute.

Textual Amendments

F580 Words in Sch. 2B para. 7(1)(a) substituted (1.10.2001) by 2000 c. 27, s. 84(3)(a), S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

F581 Sch. 2B para. 7(2) shall cease to have effect (1.10.2001) by 2000 c. 27, s. 84(3)(b); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts 3-20) and is repealed (*prosp.*) by 2000 c. 27, ss. 108, 110(2), Sch. 8

F582 Sch. 2B para. 7(3)(a)(b) substituted (1.10.2001) by 2000 c. 27, s. 84(3)(c); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

Modifications etc. (not altering text)

C59 Sch. 2B para. 7(1)(3) modified (8.11.1995 with effect as mentioned by Sch. 5 Pt. II para. 24 of the amending Act) by 1995 c. 45, s. 17(1), Sch. 5 Pt. II para. 24; S.I. 1996/218, art. 2

Deemed contracts in certain cases

- 8 (1) Where a gas supplier supplies gas to a consumer otherwise than in pursuance of a contract, the supplier shall be deemed to have contracted with the consumer for the

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supply of gas as from the time (“the relevant time ”) when he began so to supply gas to the consumer.

(2) Where—

- (a) the owner or occupier of any premises takes a supply of gas which has been conveyed to those premises by a [^{F583}gas transporter] in pursuance of arrangements made with the transporter by a gas shipper, or by a person authorised to make the arrangements by an exemption granted under section 6A of this Act;
- (b) that supply is not made by a gas supplier, or by a person authorised to make it by an exemption granted under section 6A of this Act or an exception contained in Schedule 2A to this Act; and
- (c) a supply of gas so conveyed has been previously made by a gas supplier, the owner or occupier shall be deemed to have contracted with the appropriate supplier for the supply of gas as from the time (“the relevant time ”) when he began to take such a supply; but nothing in this sub-paragraph shall be taken to afford a defence in any criminal proceedings.

(3) In sub-paragraph (2) above “the appropriate supplier ” means—

- (a) the gas supplier who previously supplied gas to the premises or, if more than one, the gas supplier who last supplied gas to the premises; or
- (b) where that supplier’s licence has been assigned generally, or has been assigned so far as relating to the premises, the person to whom the licence was so assigned; or
- (c) where that supplier’s licence has been revoked on his application, or has been so restricted on his application as to exclude the premises, the gas supplier with whom that supplier made arrangements for securing continuity of supply to the premises.

^{F584}(4)

^{F584}(5)

^{F584}(6)

(7) The express terms and conditions of a contract which, by virtue of sub-paragraph (1) or (2) above, is deemed to have been made shall be provided for by a scheme made under this paragraph.

(8) Each gas supplier shall make, and from time to time revise, a scheme for determining the terms and conditions which are to be incorporated in the contracts which, by virtue of sub-paragraph (1) or (2) above, are to be deemed to have been made; [^{F585}but this sub-paragraph shall not apply in any case where it is reasonably expected that neither of those sub-paragraphs will apply].

(9) The terms and conditions so determined may include terms and conditions for enabling the gas supplier to determine, in any case where the meter is not read immediately before the relevant time, the number of therms or kilowatt hours which are to be treated as supplied to the consumer, or taken by the owner or occupier of the premises, during the period beginning with the relevant time and ending with—

- (a) the time when the meter is first read after the relevant time; or
- (b) the time when the supplier ceases to supply gas to the consumer, or the owner or occupier ceases to take a supply of gas,

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whichever is the earlier.

- (10) A scheme under this paragraph may make different provisions for different cases or classes of cases, or for different areas, determined by, or in accordance with, the provisions of the scheme.
- (11) As soon as practicable after a gas supplier makes a scheme under this paragraph, [^{F586}or a revision of such a scheme], he shall—
- (a) publish, in such manner as he considers appropriate for bringing it to the attention of persons likely to be affected by it, a notice stating the effect of the scheme [^{F587}or revision];
 - (b) send a copy of the scheme [^{F587}or revision] to the Director and to the Council; and
 - (c) if so requested by any other person, send such a copy to that person without charge to him.

Textual Amendments

- F583** Words in Sch. 2B para. 8 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F584** Sch. 2B para. 8(4)-(6) omitted (1.10.2001) by virtue of 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 23(a)**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20) and are repealed (*prosp.*) by 2000 c. 27, ss. 108, 110(2), **Sch. 8**
- F585** Words in Sch. 2B para. 8(8) shall cease to have effect (1.10.2001) by virtue of 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 23(b)**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20) and are repealed (*prosp.*) by 2000 c. 27, ss. 108, 110(2), **Sch. 8**
- F586** Words in Sch. 2B para. 11 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 23(c)(i)**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F587** Words in Sch. 2B para. 11(a)(b) substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 23(c)(ii)**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)

Supplies of gas illegally taken

- 9 (1) Where any person takes a supply of gas which is in the course of being conveyed by a [^{F588}gas transporter], the transporter shall be entitled to recover from that person the value of the gas so taken.
- (2) Where—
- (a) any person at premises which have been reconnected in contravention of paragraph 11(1) below takes a supply of gas which has been conveyed to those premises by the [^{F588}gas transporter]; and
 - (b) the supply is taken otherwise than in pursuance of a contract made with a gas supplier, or deemed to have been made with such a supplier by virtue of paragraph 8 above or paragraph 19 of Schedule 5 to the Gas Act 1995,
- the transporter shall be entitled to recover from that person the value of the gas so taken.
- (3) Each [^{F588}gas transporter] shall make, and from time to time revise, a scheme providing for the manner in which, and the persons by whom, the number of therms or kilowatt hours represented by a supply of gas taken in such circumstances as are

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mentioned in sub-paragraph (1) or (2) above is to be determined for the purposes of that sub-paragraph.

(4) Sub-paragraphs (10) and (11) of paragraph 8 above shall apply in relation to a scheme under this paragraph as they apply in relation to a scheme under that paragraph.

(5) In this paragraph—

“gas supplier ” includes a person authorised to supply gas by an exemption granted under section 6A of this Act or an exception contained in Schedule 2A to this Act;

“value ”, in relation to any gas taken in such circumstances as are mentioned in sub-paragraph (1) or (2) above, means the amount which, if the gas had been taken in such circumstances as are mentioned in sub-paragraph (2) of paragraph 8 above, could reasonably be expected to have been payable in respect of the gas under a contract deemed to have been made by virtue of that sub-paragraph.

Textual Amendments

F588 Words in Sch. 2B para. 9 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)

Injury to gas fittings and interference with meters

10 (1) If any person intentionally or by culpable negligence—

- (a) injures or allows to be injured any gas fitting provided by a [^{F589}gas transporter] or gas supplier, or any service pipe by which any premises are connected to such a transporter’s main;
- (b) alters the index to any meter used for measuring the quantity of gas conveyed or supplied by such a transporter or supplier; or
- (c) prevents any such meter from duly registering the quantity of gas conveyed or supplied,

he shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.

(2) In the case of any offence under sub-paragraph (1) above, the transporter or supplier may disconnect the premises of, or cut off the supply of gas to, the person so offending.

(3) Where any person is prosecuted for an offence under sub-paragraph (1)(b) or (c) above, the possession by him of artificial means for causing an alteration of the index of the meter or, as the case may be, for preventing the meter from duly registering shall, if the meter was in his custody or under his control, be prima facie evidence that the alteration or prevention was intentionally caused by him.

Textual Amendments

F589 Words in Sch. 2B para. 10 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, art. 2, **Sch.** (subject to transitional provisions in arts. 3-20)

Status: Point in time view as at 21/03/2012.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 09 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Restoration of supply without consent

- 11 (1) Where a consumer's premises have been disconnected by a [^{F590} gas transporter], or a supply of gas to a consumer's premises has been cut off by a gas supplier, otherwise than in the exercise of a power conferred by—
- (a) paragraph 20, 21 or 22 below;
 - (b) regulations under section 18(2) or 18A(1) of this Act; or
 - (c) regulations under section 15 of the ^{M29}Health and Safety at Work etc. Act 1974 (health and safety regulations),
- no person shall, without the relevant consent, reconnect the premises or restore the supply.
- (2) If any person acts in contravention of sub-paragraph (1) above—
- (a) he shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale; and
 - (b) the transporter or supplier may again disconnect the premises or, as the case may be, cut off the supply.
- (3) In this paragraph “the relevant consent ” means—
- (a) where the premises are reconnected, the consent of the [^{F590} gas transporter] to whose main the reconnection is made;
 - (b) where the supply is restored, the consent of the supplier who cut off the supply, or the consent of a person who is or is about to become a relevant gas supplier.

Textual Amendments

F590 Words in Sch. 2B para. 11 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, art. 2, **Sch.** (subject to transitional provisions in arts. 3-20)

Modifications etc. (not altering text)

C60 Sch. 2B para. 11 modified (8.11.1995 with effect as mentioned in **Sch. 5 Pt. II para. 26** of the amending Act) by 1995 c. 45, s. 17(1), **Sch. 5 Pt. II para. 26**; S.I. 1996/218, art. 2

Marginal Citations

M29 1974 c.37.

Failure to notify connection or disconnection of service pipe

- 12 (1) No person shall connect any meter with a service pipe through which gas is conveyed to any premises by a [^{F591} gas transporter], or disconnect any meter from any such pipe, unless he has given—
- (a) in a case where gas is supplied to the premises by a relevant gas supplier whose name and address are known to him, to the supplier; and
 - (b) in any other case, to the transporter,
- so that it is received by the supplier or transporter at least 48 hours before he does so, notice in the prescribed form of his intention to do so.
- (2) Subject to sub-paragraph (3) below, a notice under sub-paragraph (1) above shall contain—

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- (a) details of the time and place of the proposed connection or disconnection; and
 - (b) such other information as may be prescribed.
- (3) In so far as it is not reasonably practicable for a notice under sub-paragraph (1) above to contain any information required by sub-paragraph (2)(b) above, it shall be a sufficient compliance with that requirement if the information is given to the relevant gas supplier or, as the case may be, the [^{F591}gas transporter] within 48 hours after the connection or disconnection is effected.
- (4) If any person acts in contravention of this paragraph, he shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.

Textual Amendments

F591 Words in Sch. 2B para. 12 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, art. 2, **Sch.** (subject to transitional provisions in arts. 3-20)

Modifications etc. (not altering text)

C61 Sch. 2B para. 12(1) extended (8.11.1995 with effect as mentioned in **Sch. 5 Pt. II para. 27** of the amending Act) by 1995 c. 45, s. 17(1), **Sch. 5 Pt. II para. 27**; S.I. 1996/218, art. 2

Failure to notify disconnection of meter

- 13 (1) Subject to sub-paragraph (2) below, this paragraph applies where any meter through which gas has been supplied to any premises is completely disconnected, that is to say, is disconnected both from the service pipe and from all other pipes within the premises.
- (2) This paragraph does not apply where the meter—
- (a) is disconnected for the purposes of an examination under section 17 of this Act or an inspection under paragraph 3(5) above; or
 - (b) is disconnected for a particular purpose (whether repair or repositioning of the meter, detection of a gas leak or otherwise) and is intended to be reconnected.
- (3) Except in so far as it is not reasonably practicable for him to do so, the person making the disconnection shall—
- (a) ascertain the name and address of the owner of the meter; and
 - (b) inform that owner of the disconnection and of the address at which the meter will be available for collection.
- (4) If any person fails to comply with sub-paragraph (3) above, he shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 2 on the standard scale.

Failure to maintain shipping arrangements

- 14 (1) Where—
- (a) any arrangements for the conveyance of gas by a [^{F592}gas transporter] to a consumer's premises at a rate reasonably expected to exceed 2,500 therms a

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- year have been made by a gas shipper, or by a person authorised to make the arrangements by an exemption granted under section 6A of this Act; and
- (b) those arrangements have ceased to operate and have not been replaced by arrangements made for the like purpose,
- the transporter may, after giving 21 days' notice to the relevant persons, disconnect the premises.
- (2) The relevant persons for the purposes of sub-paragraph (1) above are—
- (a) the occupier, or the owner of the premises if they are unoccupied; and
- (b) any gas supplier who, to the knowledge of the transporter, has contracted to supply gas to the premises.
- (3) The notice required to be given by sub-paragraphs (1) and (2)(a) above may, in the case of unoccupied premises the owner of which is unknown to the [^{F592}gas transporter] and cannot be ascertained after diligent inquiry, be given by affixing it upon a conspicuous part of the premises.

Textual Amendments

F592 Words in Sch. 2B para. 14 substituted (1.10.2001) by 2000 c. 27, s. 108, Sch. 6 Pt. I para. 2(1); S.I. 2001/3266, art. 2, Sch. (subject to transitional provisions in arts. 3-20)

Maintenance etc. of service pipes

- 15 (1) A [^{F593}gas transporter] shall carry out any necessary work of maintenance, repair or renewal of any service pipe by which gas is conveyed by him to a consumer's premises, whether or not the service pipe was supplied and laid at the transporter's expense.
- (2) The cost of any work carried out in accordance with sub-paragraph (1) above shall be defrayed as follows—
- (a) if the work was made necessary by any intentional act or culpable negligence of the consumer and the transporter so requires, by the consumer;
- (b) in any other case, by the transporter.

Textual Amendments

F593 Words in Sch. 2B para. 15 substituted (1.10.2001) by 2000 c. 27, s. 108, Sch. 6 Pt. I para. 2(1); S.I. 2001/3266, art. 2, Sch. (subject to transitional provisions in arts. 3-20)

Alterations etc. of burners on change of calorific value

- 16 (1) This paragraph applies where there is a change in the properties of any gas which is conveyed by a [^{F594}gas transporter] to a consumer's premises at a rate not exceeding 75,000 therms a year.
- (2) It shall be the duty of the public gas transporter to take without charge to the consumer such steps as may be necessary to alter, adjust or replace the burners in appliances at the premises which burn that gas in such manner as to secure that the gas can be burned with safety and efficiency.

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Textual Amendments

F594 Words in Sch. 2B para. 16 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1); S.I. 2001/3266, art. 2, Sch.** (subject to transitional provisions in arts. 3-20)

Use of antiflucltuators and valves

- 17 (1) Where a consumer uses gas for working or supplying a compressor, that is to say—
- (a) an engine, gas compressor or other similar apparatus; or
 - (b) any apparatus liable to produce in any main of the [^{F595}gas transporter] a pressure less than atmospheric pressure,
- he shall, if so required by the transporter by notice, fix in a suitable position and keep in use an appliance provided by him which will effectually prevent ^{F596} . . . inconvenience ^{F596} . . . being caused to persons by reason that he and they are supplied with gas conveyed through the same system.
- (2) Where a consumer uses for or in connection with the consumption of gas—
- (a) any air at high pressure (“compressed air ”); or
 - (b) any gaseous substance not conveyed by the [^{F595}gas transporter] (“extraneous gas ”),
- he shall, if so required [^{F597}other than for the purpose of preventing danger]by the transporter by notice, fix in a suitable position and keep in use an appliance provided by him which will effectually prevent the admission of the compressed air or extraneous gas into the service pipe or into any main through which gas is conveyed by the transporter.
- (3) Where a person is required by this paragraph to keep in use any appliance, he shall at his own expense keep it in proper order and repair, and repair, renew or replace it if it is not in proper order or repair.
- (4) A consumer shall not be entitled to use a compressor, or any apparatus for using compressed air or extraneous gas, unless he has given to the [^{F595}gas transporter] not less than 14 days’ notice of his intention to do so; but this sub-paragraph shall not apply to the use of any compressor or apparatus which was lawfully in use immediately before the appointed day.
- (5) If a consumer makes default in complying with any provision of this paragraph [^{F598}or regulation 38 of the Gas Safety (Installation and Use) Regulations 1998 or directions made thereunder], the [^{F595}gas transporter] may disconnect the consumer’s premises.
- (6) The [^{F595}gas transporter] shall have power to disconnect, remove, test and replace any appliance which a consumer is required by this paragraph [^{F598}or regulation 38 of the Gas Safety (Installation and Use) Regulations 1998 or directions made thereunder]to keep in use; and any expenses incurred by the transporter under this sub-paragraph shall, if the appliance is found in proper order and repair, be paid by the transporter, but otherwise shall be paid by the consumer.

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Textual Amendments

- F595** Words in Sch. 2B para. 17 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, **art. 2, Sch.** (subject to transitional provisions in arts. 3-20)
- F596** Words in Sch. 2B para. 17(1) deleted (31.10.1998) by S.I. 1998/2451, **reg. 41(2)(a)**
- F597** Words in Sch. 2B para. 17(2) added (31.10.1998) by S.I. 1998/2451, **reg. 41(2)(b)**
- F598** Words in Sch. 2B para. 17(5)(6) added (31.10.1998) by S.I. 1998/2451, **reg. 41(2)(c)**

Modifications etc. (not altering text)

- C62** Sch. 2B para. 17(1)(2) extended (8.11.1995 with effect as mentioned by Sch. 5 Pt. II para. 25 of the extending Act) by 1995 c. 45, s. 17(1), **Sch. 5 Pt. II para. 25**; S.I. 1996/218, **art. 2**

Improper use of gas

- 18 If a consumer improperly uses or deals with gas so as to interfere with the efficient conveyance of gas by the [^{F599}gas transporter] (whether to the consumer or to any other person), the transporter may, if he thinks fit, disconnect the consumer's premises.

Textual Amendments

- F599** Words in Sch. 2B para. 18 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, **art. 2, Sch.** (subject to transitional provisions in arts. 3-20)

No obligation to restore supply where consumer in default

- 19 (1) This paragraph applies where—
- a consumer's premises have been disconnected by a [^{F600}gas transporter] in pursuance of paragraph 2(2)(a), 3(2)(a), 5(4), 10(2), 11(2)(b), 14(1), 17(5) or 18 above; or
 - a supply of gas to a consumer's premises has been cut off by a gas supplier in pursuance of paragraph 2(2)(b), 3(2)(b), 7(3) or (4), 10(2) or 11(2)(b) above.
- (2) The transporter or supplier shall not be under any obligation to reconnect the consumer's premises or, as the case may be, resume the supply of gas to the consumer's premises until the consumer either is no longer an owner or occupier of the premises or—
- has made good the default, or remedied the matter, in consequence of which the premises were disconnected or the supply was cut off; and
 - has paid the reasonable expenses of disconnecting and reconnecting the premises or, as the case may be, of cutting off the supply and restoring the supply.
- (3) In this paragraph "consumer", in relation to a disconnection or cutting off under paragraph 11(2)(b) above, means—
- the owner of the premises at the time when the reconnection was made, or the supply was restored, without the relevant consent—
 - if the premises were unoccupied at that time, or
 - if that reconnection or restoration of supply was made by him or on his behalf; and

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(b) the occupier of the premises at that time in any other case;
and in this sub-paragraph “relevant consent” has the same meaning as in paragraph 11 above.

Textual Amendments

F600 Words in Sch. 2B para. 19 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, art. 2, **Sch.** (subject to transitional provisions in arts. 3-20)

Notified escapes of gas

F60120

Textual Amendments

F601 Sch. 2B para. 20 repealed (1.4.1996) by S.I. 1996/551, **reg. 12(2)**

Suspected escapes of gas

F60221

Textual Amendments

F602 Sch. 2B para. 21 repealed (1.4.1996) by S.I. 1996/551, **reg. 12(2)**

Entry for preventing escapes of gas etc.

F60322

Textual Amendments

F603 Sch. 2B para. 22 repealed (8.1.1997) by S.I. 1996/3203, **art. 2**

Entry during continuance of supply

- 23 (1) Any officer authorised by a [^{F604}gas transporter] may at all reasonable times, on the production of some duly authenticated document showing his authority, enter a consumer’s premises for the purpose of—
- (a) inspecting gas fittings;
 - (b) ascertaining the quantity of gas conveyed to the premises;
 - (c) exercising the power conferred on the transporter by paragraph 3(5) above;
 - (d) performing the duty imposed on the transporter by paragraph 15 or 16 above;
 - (e) exercising the power conferred on the transporter by paragraph 17(6) above;
or
 - (f) in the case of premises where the transporter has reason to believe that a compressor or compressed air or extraneous gas is being used, inspecting

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the premises and ascertaining whether the provisions of paragraph 17 above are being complied with.

- (2) Any officer authorised by a relevant gas supplier or relevant gas shipper may at all reasonable times, on the production of some duly authenticated document showing his authority, enter a consumer’s premises for the purpose of—
- (a) inspecting gas fittings;
 - (b) ascertaining the quantity of gas supplied or conveyed to the premises; or
 - [exercising a power conferred by paragraph 3(5) or 7(3)(a) (and testing gas fittings, and making any adjustments required for their safe operation, after the exercise of the power).]
- ^{F605}(c) fittings, and making any adjustments required for their safe operation, after the exercise of the power.)]
- (3) In this paragraph “compressor”, “compressed air” and “extraneous gas” have the same meanings as in paragraph 17 above, and any reference to a relevant gas supplier or relevant gas shipper includes a reference to a person who has been or is about to become such a supplier or shipper.

Textual Amendments

F604 Words in Sch. 2B para. 23 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, art. 2, **Sch.** (subject to transitional provisions in arts. 3-20)

F605 Sch. 2B para. 23(2)(c) substituted (1.10.2001) by 2000 c. 27, s. 84(4); S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)

Modifications etc. (not altering text)

C63 Sch. 2B para. 23(1)(b) extended (8.11.1995 with effect as mentioned by Sch. 5 Pt. II para. 28(1) of the amending Act) by 1995 c. 45, s. 17(1), **Sch. 5 Pt. II para. 28(1)**; S.I. 1996/218, art. 2

Entry on discontinuance of supply

- 24 (1) This paragraph applies where—
- (a) a [^{F606}gas transporter] or gas supplier is authorised by any provision of this Act to disconnect any premises, or, as the case may be, to cut off or discontinue the supply of gas to any premises;
 - (b) a person occupying premises supplied with gas by a gas supplier ceases to require a supply of gas; or
 - (c) a person entering into occupation of any premises previously supplied with gas by a gas supplier does not take a supply of gas.
- (2) Any officer authorised by the [^{F606}gas transporter] or gas supplier, after 24 hours’ notice to the occupier, or to the owner of the premises if they are unoccupied, may at all reasonable times, on production of some duly authenticated document showing his authority, enter the premises for the purpose of—
- (a) disconnecting the premises, or cutting off or discontinuing the supply of gas to the premises; or
 - (b) removing any meter or other gas fitting owned by the transporter or supplier.
- (3) The notice required to be given by sub-paragraph (2) above may, in the case of unoccupied premises the owner of which is unknown to the [^{F606}gas transporter] or gas supplier and cannot be ascertained after diligent inquiry, be given by affixing it

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upon a conspicuous part of the premises not less than 48 hours before the premises are entered.

Textual Amendments

F606 Words in Sch. 2B para. 24 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, art. 2, **Sch.** (subject to transitional provisions in arts. 3-20)

Modifications etc. (not altering text)

C64 Sch. 2B para. 24(2) extended (8.11.1995 with effect as mentioned by **Sch. 5 Pt. II para. 28(3)** of the amending Act) by 1995 c. 45, s. 17(1), **Sch. 5 Pt. II para. 28(3)**; S.I. 1996/218, art. 2

Entry following discontinuance of supply

- 25 (1) This paragraph applies where a consumer's premises have been disconnected by a [^{F607}gas transporter], or a supply of gas to a consumer's premises has been cut off by a gas supplier, otherwise than in the exercise of a power conferred by—
- (a) paragraph 20, 21 or 22 above;
 - (b) regulations under section 18(2) or 18A(1) of this Act; or
 - (c) regulations under section 15 of the ^{M30}Health and Safety at Work etc. Act 1974 (health and safety regulations).
- (2) Any officer authorised by the [^{F607}gas transporter] or gas supplier may at all reasonable times, on production of some duly authenticated document showing his authority, enter the premises for the purpose of ascertaining whether the premises have been reconnected, or the supply has been restored, without the relevant consent.
- (3) In this paragraph “the relevant consent ” has the same meaning as in paragraph 11 above.

Textual Amendments

F607 Words in Sch. 2B para. 25 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, art. 2, **Sch.** (subject to transitional provisions in arts. 3-20)

Modifications etc. (not altering text)

C65 Sch. 2B para. 25 modified (8.11.1995 with effect as mentioned by **Sch. 5 Pt. II para. 26** of the amending Act) by 1995 c. 45, s. 17(1), **Sch. 5 Pt. II para. 26**; S.I. 1996/218, art. 2

Marginal Citations

M30 1974 c. 37.

Entry for removing fittings and meters

- 26 (1) This paragraph applies where—
- (a) a person occupying premises supplied with gas through a meter or other gas fitting owned by a [^{F608}gas transporter] or gas supplier ceases to take a supply through that meter or fitting; or

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- (b) a person entering into occupation of any premises previously supplied with gas through a meter or other gas fitting so owned does not take a supply of gas through that meter or fitting.
- (2) Any officer authorised by the [^{F608}gas transporter] or gas supplier, after 24 hours' notice to the occupier, or to the owner of the premises if they are unoccupied, may at all reasonable times, on production of some duly authenticated document showing his authority, enter the premises for the purpose of removing the meter or other gas fitting.
- (3) Sub-paragraph (3) of paragraph 24 above applies for the purposes of this paragraph as it applies for the purposes of that paragraph.

Textual Amendments

F608 Words in Sch. 2B para. 26 substituted (1.10.2001) by 2000 c. 27, s. 108, Sch. 6 Pt. I para. 2(1); S.I. 2001/3266, art. 2, Sch. (subject to transitional provisions in arts. 3-20)

Entry for replacing, repairing or altering pipes

- 27
- (1) Any officer authorised by a [^{F609}gas transporter], after 7 clear days' notice to the occupier of any premises, or to the owner of any premises which are unoccupied, may at all reasonable times, on production of some duly authenticated document showing his authority, enter the premises for the purpose of—
 - (a) placing a new pipe in the place of any existing pipe which has already been lawfully placed; or
 - (b) repairing or altering any such existing pipe.
 - (2) The notice required to be given by sub-paragraph (1) above may, in the case of unoccupied premises the owner of which is unknown to the [^{F609}gas transporter] and cannot be ascertained after diligent inquiry, be given by affixing it upon a conspicuous part of the premises.
 - (3) In cases of emergency arising from defects in any pipes entry may be made under sub-paragraph (1) above without the notice required to be given by that sub-paragraph, but notice of the entry and the justification for it shall then be given as soon as possible after the occurrence of the emergency.

Textual Amendments

F609 Words in Sch. 2B para. 27 substituted (1.10.2001) by 2000 c. 27, s. 108, Sch. 6 Pt. I para. 2(1); S.I. 2001/3266, art. 2, Sch. (subject to transitional provisions in arts. 3-20)

Provisions as to powers of entry

- 28
- (1) No officer shall be authorised by a [^{F610}gas transporter], gas supplier or gas shipper to exercise any powers of entry conferred by this Schedule unless—
 - (a) the transporter, supplier or shipper has taken all reasonable steps to ensure that he is a fit and proper person to exercise those powers; or
 - (b) in cases of emergency, those powers are powers conferred by paragraph 22 above.

Status: Point in time view as at 21/03/2012.

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- (2) Where in pursuance of any powers of entry conferred by this Schedule, entry is made on any premises by an officer authorised by a [^{F610}gas transporter], gas supplier or gas shipper—
- (a) the officer shall ensure that the premises are left no less secure by reason of the entry; and
 - (b) the transporter, supplier or shipper shall make good, or pay compensation for, any damage caused by the officer, or by any person accompanying him in entering the premises, in taking any action therein authorised by this Schedule, or in making the premises secure.
- (3) Any officer exercising powers of entry conferred by this Schedule may be accompanied by such persons as may be necessary or expedient for the purpose for which the entry is made, or for the purposes of sub-paragraph (2) above.
- (4) If any person intentionally obstructs any officer exercising powers of entry conferred by this Schedule, he shall be guilty of an offence and liable on summary conviction to a fine not exceeding level 3 on the standard scale.
- (5) The ^{M31}Rights of Entry (Gas and Electricity Boards) Act 1954 (entry under a justice's warrant) shall apply in relation to any powers of entry conferred by this Schedule.

Textual Amendments

F610 Words in Sch. 2B para. 28 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, art. 2, **Sch.** (subject to transitional provisions in arts. 3-20)

Marginal Citations

M31 1954 c. 21.

Gas meters and fittings not to be subject to distress

- 29 (1) Any gas meter which is connected to a service pipe, and any gas fitting in a consumer's premises which is owned by a [^{F611}gas transporter] or gas supplier and is marked or impressed with a sufficient mark or brand indicating its owner—
- (a) shall not be subject to distress or be liable to be taken in execution under process of any court or any proceedings in bankruptcy against the person in whose possession it may be; and
 - (b) shall be deemed not to be a landlord's fixture, notwithstanding that it may be fixed or fastened to any part of the premises in which it may be situated.
- (2) In the application of sub-paragraph (1)(a) above to Scotland, for the word “distress” and the words “in bankruptcy against” there shall be substituted respectively the word [^{F612}attachment] and the words “for the sequestration of the estate of”.]

Textual Amendments

F611 Words in Sch. 2B para. 29 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)**; S.I. 2001/3266, art. 2, **Sch.** (subject to transitional provisions in arts. 3-20)

F612 Word in Sch. 2B para. 29(2) substituted (30.12.2002) by 2002 asp 17, ss. 61, 64(2), **Sch. 3 Pt. 1 para. 16(2)** (with s. 63)

Status: Point in time view as at 21/03/2012.

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SCHEDULE 3

Section 9(3).

ACQUISITION OF LAND BY PUBLIC GAS SUPPLIERS

PART I

POWERS OF ACQUISITION ETC.

Modifications etc. (not altering text)

- C66** Sch. 3 Pt. I (ss. 1-3): Functions transferred (15.10.2000) to the Scottish Ministers by [S.I. 2000/3253](#), [arts. 1\(1\), 3](#), [Sch. 2](#)
- C67** Sch. 3 Pt. I (ss. 1-3) modified (14.12.2000) by [S.I. 2000/3253](#), [arts. 1\(2\), 2](#), [Sch. 1 para. 6](#)

- 1 (1) The Secretary of State, after consultation with the Director, may authorise a [^{F613}gas transporters] to purchase compulsorily any land.
- (2) In sub-paragraph (1) above “land” includes any right over land; and the power of the Secretary of State under that sub-paragraph includes power to authorise the acquisition of rights over land by creating new rights as well as acquiring existing ones.

Textual Amendments

- F613** Words in Sch. 3 para. 1 substituted (1.10.2001) by [2000 c. 27, s. 108](#), [Sch. 6 Pt. I para. 2\(1\)](#); [S.I. 2001/3266](#), [arts. 1\(2\), 2](#), [Sch.](#) (subject to transitional provisions in [arts. 3-20](#))

- 2 (1) This paragraph applies to land which—
- (a) for the purposes of the ^{M32}Acquisition of Land Act 1981, is or forms part of a common, open space or a fuel or field garden allotment; or
 - (b) for the purposes of the ^{M33}Acquisition of Land (Authorisation Procedure) (Scotland) Act 1947, is or forms part of a common or open space.
- (2) Where for any purpose a [^{F614}gas transporters] has acquired, or proposes to acquire, any land to which this paragraph applies, or any right over any such land, and other land is required for the purpose of being given in exchange for the land or right in question, the Secretary of State may authorise [^{F615}the transporter] to purchase that other land compulsorily, or he may acquire it by agreement.

Textual Amendments

- F614** Words in Sch. 3 para. 2 substituted (1.10.2001) by [2000 c. 27, s. 108](#), [Sch. 6 Pt. I para. 2\(1\)](#); [S.I. 2001/3266](#), [arts. 1\(2\)](#), [Sch.](#) (subject to transitional provisions in [arts. 3-20](#))
- F615** Words in Sch. 3 para. 2(2) substituted (1.3.1996) by [1995 c. 45, s. 10\(1\)](#), [Sch. 3 para. 56\(c\)](#); [S.I. 1996/218](#), [art. 2](#)

Marginal Citations

- M32** 1981 c. 67.
- M33** 1947 c. 42.

Status: Point in time view as at 21/03/2012.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 09 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- 3 Where a [^{F616}gas transporters] has acquired any land by virtue of paragraph 1 above, he shall not dispose of that land or of any interest in or right over it except with the consent of the Director.

Textual Amendments

F616 Words in Sch. 3 para. 3 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6, Pt. I** para. 2(1); S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)

PART II

PROCEDURE, COMPENSATION ETC. (ENGLAND AND WALES)

Application of Acquisition of Land Act 1981 generally

- 4 The Acquisition of Land Act 1981 shall apply to a compulsory purchase by a [^{F617}gas transporter's] of land or rights in England and Wales, subject, in the case of a compulsory acquisition of a right by the creation of a new right, to Schedule 3 to that Act.

Textual Amendments

F617 Words in Sch. 3 Pt. II substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I**, para. 2(2); S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)

New rights: general adaptation of Compulsory Purchase Act 1965

- 5 The ^{M34}Compulsory Purchase Act 1965 shall have effect with the modifications necessary to make it apply to a [^{F618}gas transporter's] compulsory acquisition of a right in England and Wales by the creation of a new right as it applies to the compulsory acquisition of land, so that, in appropriate contexts, references in that Act to land are to be read as referring, or as including references, to the right acquired or to be acquired, or to land over which the right is or is to be exercisable, according to the requirements of the particular context.

Textual Amendments

F618 Words in Sch. 3 para. 5 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6, Pt. I** para. 2(2); S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)

Marginal Citations

M34 1965 c. 56.

New rights: specific adaptations of Act of 1965

- 6 Without prejudice to the generality of paragraph 5 above, Part I of the said Act of 1965 shall apply in relation to a [^{F619}gas transporter's] compulsory acquisition of a

Status: Point in time view as at 21/03/2012.

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right in England and Wales by the creation of a new right with the modifications specified in paragraphs 7 to 12 below.

Textual Amendments

F619 Words in Sch. 3 para. 6 substituted (1.10.2001) by 2000 c. 27, s. 108, Sch. 6, Pt. I para. 2(2); S.I. 2001/3266 arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)

7 For section 7 of that Act (measure of compensation) there shall be substituted the following section—

“7 In assessing the compensation to be paid by the acquiring authority under this Act regard shall be had not only to the extent (if any) to which the value of the land over which the right is to be acquired is depreciated by the acquisition of the right but also to the damage (if any) to be sustained by the owner of the land by reason of its severance from other land of his, or injuriously affecting that other land by the exercise of the powers conferred by this or the special Act.”

8 For subsection (1) of section 8 of that Act (protection for vendor against severance of house, garden, etc.) there shall be substituted the following subsections—

“(1) No person shall be required to grant any right over part only—

(a) of any house, building or manufactory; or

(b) of a park or garden belonging to a house,

if he is willing to sell the whole of the house, building, manufactory, park or garden, unless the [^{F620}Upper Tribunal determines] that—

(i) in the case of a house, building or manufactory, the part over which the right is proposed to be acquired can be made subject to that right without material detriment to the house, building or manufactory; or

(ii) in the case of a park or garden, the part over which the right is proposed to be acquired can be made subject to that right without seriously affecting the amenity or convenience of the house;

and if the [^{F621}Upper Tribunal so determines], the Tribunal shall award compensation in respect of any loss due to the acquisition of the right, in addition to its value; and thereupon the party interested shall be required to grant to the acquiring authority that right over the part of the house, building, manufactory, park or garden.

(1A) In considering the extent of any material detriment to a house, building or manufactory, or any extent to which the amenity or convenience of a house is affected, the [^{F622}Upper Tribunal] shall have regard not only to the right which is to be acquired over the land, but also to any adjoining or adjacent land belonging to the same owner and subject to compulsory purchase.”

Textual Amendments

F620 Words in Sch. 3 para. 8 substituted (1.6.2009) by The Transfer of Tribunal Functions (Lands Tribunal and Miscellaneous Amendments) Order 2009 (S.I. 2009/1307), art. 1, Sch. 1 para. 179(a)(i) (with Sch. 5)

F621 Words in Sch. 3 para. 8 substituted (1.6.2009) by The Transfer of Tribunal Functions (Lands Tribunal and Miscellaneous Amendments) Order 2009 (S.I. 2009/1307), art. 1, Sch. 1 para. 179(a)(ii) (with Sch. 5)

Status: Point in time view as at 21/03/2012.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 09 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

F622 Words in Sch. 3 para. 8 substituted (1.6.2009) by [The Transfer of Tribunal Functions \(Lands Tribunal and Miscellaneous Amendments\) Order 2009 \(S.I. 2009/1307\)](#), art. 1, **Sch. 1 para. 179(a)(iii)** (with Sch. 5)

- 9 The following provisions of that Act (being provisions stating the effect of a deed poll executed in various circumstances where there is no conveyance by persons with interests in the land)—
- section 9(4) (refusal by owners to convey);
 - Schedule 1, paragraph 10(3) (owners under incapacity);
 - Schedule 2, paragraph 2(3) (absent and untraced owners); and
 - Schedule 4, paragraphs 2(3) and 7(2) (common land),
- shall be so modified as to secure that, as against persons with interests in the land which are expressed to be overridden by the deed, the right which is to be compulsorily acquired is vested absolutely in the acquiring authority.
- 10 Section 11 of that Act (powers of entry) shall be so modified as to secure that, as from the date on which the acquiring authority have served notice to treat in respect of any right, they have power, exercisable in the like circumstances and subject to the like conditions, to enter for the purpose of exercising that right (which shall be deemed for this purpose to have been created on the date of service of the notice); and sections 12 (penalty for unauthorised entry) and 13 (entry on [^{F623}enforcement officer's or sheriff's warrant] in the event of obstruction) shall be modified correspondingly.

Textual Amendments

F623 Words in Sch. 3 para. 10 substituted (1.4.2008) by [Tribunals, Courts and Enforcement Act 2007 \(c. 15\)](#), s. 148, **Sch. 22 para. 4**; S.I. 2007/2709, art. 5(b)

- 11 Section 20 of that Act (protection for interests of tenants at will etc.) shall apply with the modifications necessary to secure that persons with such interests as are mentioned in that section are compensated in a manner corresponding to that in which they would be compensated on a compulsory acquisition of that land, but taking into account only the extent (if any) of such interference with such an interest as is actually caused, or likely to be caused, by the exercise of the right in question.
- 12 Section 22 of that Act (protection of acquiring authority's possession where by inadvertence an estate, right or interest has not been got in) shall be so modified as to enable the acquiring authority, in circumstances corresponding to those referred to in that section, to continue entitled to exercise the right acquired, subject to compliance with that section as respects compensation.
- New rights: compensation*
- 13 The enactments in force in England and Wales with respect to compensation for the compulsory purchase of land shall apply with the necessary modifications as respects compensation in the case of a [^{F624}gas transporter's] compulsory acquisition of a right by the creation of a new right as they apply to compensation on the compulsory purchase of land and interests in land.

Status: Point in time view as at 21/03/2012.

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Textual Amendments

- F624** Words in Sch. 3 para. 13 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6, Pt. I para. 2(2)**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)

PART III

PROCEDURE, COMPENSATION ETC. (SCOTLAND)

Modifications etc. (not altering text)

- C68** Sch. 3 Pt. III (ss. 14-29): Functions transferred (15.10.2000) to the Scottish Ministers by S.I. 2000/3253, arts. 1(1), 3, **Sch. 2**
- C69** Sch. 3 Pt. III (ss. 14-29) modified (14.12.2000) by S.I. 2000/3253, arts. 1(2), 2, **Sch. 1 para. 6**

Application of Acquisition of Land (Authorisation Procedure) (Scotland) Act 1947 generally

- 14 The ^{M35}Acquisition of Land (Authorisation Procedure) (Scotland) Act 1947 shall apply to the compulsory purchase by a [^{F625}public gas transporter] of land or rights in Scotland as if [^{F626}the transporter] were a local authority within the meaning of that Act, and as if this Act had been in force immediately before the commencement of that Act.

Textual Amendments

- F625** Words in Sch. 3 para. 14 substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 56(a)**; S.I. 1996/218, art. 2
- F626** Words in Sch. 3 para. 14 substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 56(c)**; S.I. 1996/218, art. 2

Marginal Citations

- M35** 1947 c. 42.

New rights: general application of Act of 1947 and incorporated enactments

- 15 The enactments incorporated with this Act by virtue of Part I of Schedule 2 to the said Act of 1947 and that Act shall have effect with the modifications necessary to make them apply to a [^{F627}public gas transporter's] compulsory acquisition of a right in Scotland by the creation of a new right as they apply to the compulsory acquisition of land, so that, in appropriate contexts, references in those enactments and that Act to land are to be read as referring, or as including references, to the right acquired or to be acquired, or to land over which the right is or is to be exercisable, according to the requirements of the particular context.

Status: Point in time view as at 21/03/2012.

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Textual Amendments

F627 Words in Sch. 3 para. 15 substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 56(b)**; S.I. 1996/218, **art. 2**

New rights: specific adaptations of Act of 1947

- 16 Without prejudice to the generality of paragraph 15 above, Part III of Schedule 1 to the said Act of 1947 (requirement of special parliamentary procedure, and other special provisions, in the case of acquisition of certain descriptions of land) shall apply in relation to a [^{F628}public gas transporter's] compulsory acquisition of a right in Scotland by the creation of a new right with the modifications specified in paragraphs 17 to 20 below.

Textual Amendments

F628 Words in Sch. 3 para. 16 substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 56(b)**; S.I. 1996/218, **art. 2**

- 17 In paragraph 9 of that Schedule (compulsory purchase affecting land of the National Trust for Scotland) for references to the compulsory purchase of land there shall be substituted references to the compulsory acquisition of rights over land.
- 18 In paragraph 10 of that Schedule (land of statutory undertakers)—
- (a) for the words “land comprised in the order” there shall be substituted the words “land over which a right is to be acquired by virtue of the order”;
 - (b) for the words “purchase of” there shall be substituted the words “acquisition of a right over”;
 - (c) for the words “it can be purchased and not replaced” there shall be substituted the words “the right can be acquired”; and
 - (d) for sub-paragraph (ii) there shall be substituted the following sub-paragraph—
 - “(ii) that any detriment to the carrying on of the undertaking, in consequence of the acquisition of the right, can be made good by the undertakers by the use of other land belonging to, or available for acquisition by, them”.
- 19 In paragraph 11 of that Schedule (common or open space), for sub-paragraph (1) there shall be substituted the following sub-paragraph—
- “(1) In so far as a compulsory purchase order authorises the acquisition of a right over land forming part of a common or open space, it shall be subject to special parliamentary procedure unless the Secretary of State is satisfied—
 - (a) that the land, when burdened with that right, will be no less advantageous to those persons in whom it is vested and other persons, if any, entitled to rights of common or other rights, and to the public, than it was before; or
 - (b) that there has been or will be given in exchange for the right additional land which will as respects the persons in whom there

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is vested the land over which the right is to be acquired, the persons, if any, entitled to rights of common or other rights over that land, and the public, be adequate to compensate them for the disadvantages which result from the acquisition of the right, and that the additional land has been or will be vested in the persons in whom there is vested the land over which the right is to be acquired, and subject to the like rights, trusts and incidents as attach to that land apart from the compulsory purchase order; or

- (c) that the land affected by the right to be acquired does not exceed 250 square yards in extent, and that the giving of other land in exchange for the right is unnecessary, whether in the interests of the persons, if any, entitled to rights of common or other rights or in the interests of the public,

and certifies accordingly.”

F629 20

Textual Amendments

F629 Sch. 3 para. 20 repealed (1.10.2001) by 2000 c. 27, s. 108, **Sch. 8**; S.I. 2001/3266, art. 2, **Sch.** (subject to transitional provisions in arts. 3-20)

- 21 Paragraph 10 above shall have effect in relation to the said Act of 1947 with the substitution of a reference to paragraph 3(1) of the Second Schedule to that Act for the reference to section 11 of the ^{M36}Compulsory Purchase Act 1965, and with the omission of the words from “and sections” to the end of the paragraph.

Marginal Citations

M36 1965 c. 56.

- 22 For paragraph 4 of the Second Schedule to the said Act of 1947 (protection for owner against severance of property) there shall be substituted the provisions substituted by paragraph 8 of this Schedule for section 8(1) of the said Act of 1965, and any reference in those provisions to the [^{F630}Upper Tribunal] shall be construed as a reference to the Lands Tribunal for Scotland.

Textual Amendments

F630 Words in Sch. 3 para. 22 substituted (1.6.2009) by [The Transfer of Tribunal Functions \(Lands Tribunal and Miscellaneous Amendments\) Order 2009 \(S.I. 2009/1307\)](#), art. 1, **Sch. 1 para. 179(b)** (with Sch. 5)

Restrictions on application of paragraphs 15 to 20 above

- 23 So much of paragraph 15 above as relates to the said Act of 1947, and paragraphs 16 to 20 above, shall not apply to any compulsory purchase to which, by virtue of section 12 or 13 of the ^{M37}Gas Act 1965, Part I of Schedule 4 to that Act applies.

Status: Point in time view as at 21/03/2012.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 09 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Marginal Citations

M37 1965 c. 36.

New Rights: specific adaptations of Lands Clauses Consolidation (Scotland) Act 1845

24 For section 61 of the ^{M38}Lands Clauses Consolidation (Scotland) Act 1845 (estimation of compensation) there shall be substituted the following section—

“**61** In estimating the purchase money or compensation to be paid by the promoters of the undertaking in the Special Act, in any of the cases aforesaid, regard shall be had not only to the extent (if any) to which the value of the land over which the right is to be acquired is depreciated by the acquisition of the right, but also to the damage (if any) to be sustained by the owner of the land by reason of its severance from other land of his, or injuriously affecting that other land by the exercise of the powers conferred by this or the Special Act.”

Marginal Citations

M38 1845 c. 19.

25 The following provisions of that Act (being provisions stating the effect of a notarial instrument or of a disposition executed in various circumstances where there is no conveyance by persons with interests in the land)—

section 74 (failure by owner to convey);

section 76 (refusal to convey or show title or owner cannot be found);

section 98 (vesting of common land),

shall be so modified as to secure that, as against persons with interests in the land over which the right is to be compulsorily acquired such right is vested absolutely in the promoters of the undertaking.

26 Paragraph 11 above shall have effect in relation to that Act with the substitution of a reference to sections 114 and 115 thereof for the reference to section 20 of the ^{M39}Compulsory Purchase Act 1965.

Marginal Citations

M39 1965 c. 56.

27 Paragraph 12 above shall have effect in relation to that Act with the substitution of a reference to sections 117 and 118 thereof for any reference to section 22 of the said Act of 1965.

New rights: compensation

28 Paragraph 13 above shall have effect in relation to Scotland with the substitution of “Scotland” for “England and Wales”.

29 This Part of this Schedule shall extend to Scotland only.

Status: Point in time view as at 21/03/2012.

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SCHEDULE 4

POWER OF [F631GAS TRANSPORTERS] TO BREAK UP STREETS, BRIDGES ETC.

Textual Amendments

F631 Sch. 4 Heading: By 2000 c. 27, s. 108, **Sch. 6 para. 2(1)** it is provided (1.10.2001) that, the words “Gas Transporters” shall be substituted for the words “Public Gas Transporters”; which substitution is brought into force by S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)

- 1 (1) Subject to the following provisions of this Schedule, a [F632gas transporter] may execute the following kinds of works, that is to say—
- [F633(a) placing pipes, conduits, service pipes, cables, sewers and other works, and pressure governors, ventilators and other apparatus, in or under any street; and
 - (b) from time to time repairing, altering or removing any such works or apparatus placed in or under any street (whether by him or by any other person).]
- (2) Subject as aforesaid, a [F632gas transporter] may execute any works requisite for or incidental to the purposes of any works falling within sub-paragraph (1) above, including for those purposes—
- (a) opening or breaking up any [F634street] or any sewers, drains or tunnels within or under any [F634street]; and
 - (b) removing or using all earth and materials in or under any [F634street].
- (3) A [F632gas transporter] shall do as little damage as possible in the exercise of the powers conferred by this paragraph and shall make compensation for any damage done in the exercise of those powers.
- [F635(4) The Secretary of State shall by regulations provide that, in such cases and to such extent as may be provided by the regulations, a public gas transporter shall pay, by way of compensation for any loss sustained by any person in consequence of the exercise of those powers, such sum as may be determined in accordance with the regulations.
- (5) No regulations may be made under sub-paragraph (4) above which amend, or re-enact with modifications, regulations previously made under that sub-paragraph.]

Textual Amendments

F632 Words in Sch. 4 para. 1 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I, para. 2(1)**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)

F633 Sch. 4 para. 1(1)(a)(b) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 57(2)**; S.I. 1996/218, **art. 2**

F634 Words in Sch. 4 para. 1(1)(2) substituted (1.1.1993) by New Roads and Street Works Act 1991 (c. 22, SIF 59, 108), s. 168(1), **Sch. 8 para. 119(2)** (with s. 25(2)); (E.W.) S.I. 1992/2984, art. 2(2), **Sch. 2** and (S.) S.I. 1992/2990, art. 2(2), **Sch. 2**.

F635 Sch. 4 para. 1(4)(5) inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 57(3)**; S.I. 1996/218, **art. 2**

Status: Point in time view as at 21/03/2012.

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- 2 (1) The powers of a [^{F636}gas transporter] under paragraph 1 above shall include power to erect in any street one or more structures for housing any apparatus, but only with the consent, which shall not be unreasonably withheld, of the [^{F637}street authority].
- (2) Any question whether or not consent to the erection of such a structure is unreasonably withheld shall be determined by a single arbitrator to be appointed by the parties or, in default of agreement, appointed by the Director.
- (3) For the purposes of this paragraph the withholding of consent shall, to the extent that it is based on the ground that the structure ought to be erected elsewhere than in a street, be treated as unreasonable if [^{F638}the transporter] either that there is no reasonably practicable alternative to erecting it in a street, or that all such alternatives would, on the balance of probabilities, involve greater danger to life or property.

Textual Amendments

F636 Words in Sch. 4 para. 2 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I**, para. 2(1); S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)

F637 Words in Sch. 4 para. 2(1) substituted (1.1.1993) by New Roads and Street Works Act 1991 (c. 22, SIF 59, 108), s. 168(1), **Sch. 8 para. 119(3)** (with s. 25(2)); (E.W.) S.I. 1992/2984, art. 2(2), **Sch. 2** and (S.) S.I. 1992/2990, art. 2(2), **Sch. 2**.

F638 Words in Sch. 4 para. 2 substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 57(b)**; S.I. 1996/218, **art. 2**

- 3 (1) Subject to sub-paragraph (2) below, nothing in paragraph 1 above shall empower a [^{F639}gas transporter] to lay down or place any pipe or other works into, through or against any building, or in any land not dedicated to the public use.
- (2) A [^{F639}gas transporter] may exercise the powers conferred by paragraph 1 above in relation to any street which has been laid out but not dedicated to the public use [^{F640}only for the purpose of][^{F641}conveying] gas to any premises which abut on the street.

Textual Amendments

F639 Words in Sch. 4 para. 3 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I**, para. 2(1); S.I. 2001/3266, arts. 1(1), 2, **Sch.** (subject to transitional provisions in arts. 3-20)

F640 Words in Sch. 4 para. 3(2) substituted (1.1.1993) by New Roads and Street Works Act 1991 (c. 22, SIF 59, 108), s. 168(1), **Sch. 8 para. 119(4)** (with s. 25(2)); (E.W.) S.I. 1992/2984, art. 2(2), **Sch. 2** and (S.) S.I. 1992/2990, art. 2(2), **Sch. 2**.

F641 Word in Sch. 4 para. 3(2) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 57(4)**; S.I. 1996/218, **art. 2**

- 4 (1) Except in cases of emergency arising from defects in any pipes or other works, a [^{F642}street] which—
- (a) does not constitute for the purposes of the ^{M40}Highways Act 1980 a highway or part of a highway maintainable at the public expense; and
- (b) is under the control or management of, or maintainable by, any railway authority or navigation authority,
- shall not be opened or broken up under paragraph 1 above except with the consent, which shall not be unreasonably withheld, of that authority.

Status: Point in time view as at 21/03/2012.

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- (2) Any question whether or not consent to the opening or breaking up of such a [^{F642}street] is unreasonably withheld shall be determined by a single arbitrator to be appointed by the parties or, in default of agreement, appointed by the Director.

Textual Amendments

F642 Words in Sch. 4 para. 4(1)(2) substituted (1.1.1993) by [New Roads and Street Works Act 1991 \(c. 22, SIF 59, 108\)](#), s. 168(1), [Sch. 8 para. 119\(2\)](#) (with s. 25(2)); (E.W.) S.I. 1992/2984, art. 2(2), [Sch. 2](#) and (S.) S.I. 1992/2990, art. 2(2), [Sch. 2](#).

Marginal Citations

M40 1980 c. 66.

- 5 ^{F643}(1)

- (2) Nothing in paragraph 1 above shall effect the application to any operation of sections 34 to 36 of the ^{M41}Coast Protection Act 1949.

Textual Amendments

F643 Sch. 4 para. 5(1) repealed (1.1.1993) by [New Roads and Street Works Act 1991 \(c. 22, SIF 59, 108\)](#), s. 168(1)(2), [Sch. 8 para. 119\(5\)](#), [Sch.9](#) (with s. 25(2)); (E.W.) S.I. 1992/2984, art. 2(2), [Sch. 2](#) and (S.) S.I. 1992/2990, art. 2(2), [Sch. 2](#).

Marginal Citations

M41 1949 c. 74.

- 6 In this Schedule—

^{F644}
...

“navigation authority” means any person or body of persons, whether incorporated or not, authorised by or under any enactment to work, maintain, conserve, improve or control any canal or other inland navigation, navigable river, estuary, harbour or dock;

“railway authority” means any person or body of persons, whether incorporated or not, authorised by any enactment to construct, work or carry on a railway; and

“

^{F645}[“street” and “street authority” have the same meaning as in Part III of the New Roads and Street Works Act 1991.]

Textual Amendments

F644 Sch. 4 para. 6, definition of "highway authority" omitted (1.1.1993) by virtue of [New Roads and Street Works Act 1991 \(c. 22, SIF 59, 108\)](#), s. 168(1), [Sch. 8 para. 119\(6\)](#) (with s. 25(2)); (E.W.) S.I. 1992/2984, art. 2(2), [Sch.2](#) and (S.) S.I. 1992/2990, art. 2(2), [Sch. 2](#).

F645 Sch. 4 para. 6, definition of "street" and "street authority" substituted (1.1.1993) for definition of "street" by [New Roads and Street Works Act 1991 \(c. 22, SIF 59, 108\)](#), s. 168(1), [Sch. 8 para. 119\(6\)](#) (with s. 25(2)); (E.W.) S.I. 1992/2984, art. 2(2), [Sch.2](#) and (S.) S.I. 1992/2990, art. 2(2), [Sch. 2](#).

Status: Point in time view as at 21/03/2012.

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- 7 In its application to Scotland this Schedule shall have effect with the following modifications—
- (a) in paragraphs 1 to 4, for the word “street”, wherever it occurs, there shall be substituted the word “road”;
 - [^{F646}(b) in paragraph 2(1) for the words “street authority” there shall be substituted the words “road works authority”];
 - (c) in paragraphs 2(2) and 4(2), for the word “arbitrator” there shall be substituted the words “arbitrer”;
 - (d) in paragraph 4(1), for the words “for the purposes of the Highways Act 1980 a highway part of a highway maintainable at the public expense” there shall be substituted the words “a road within the meaning of the ^{M42}Roads (Scotland) Act 1984”;
 - ^{F647}(e)
 - [^{F648}(f) in paragraph 6, for “street” and “street authority” substitute “road” and “road works authority” and for “Part III” substitute “Part IV”.]

Textual Amendments

F646 Sch. 4 para. 7(b) substituted (1.1.1993) by [New Roads and Street Works Act 1991 \(c. 22, SIF 59, 108\)](#), s. 168(1), **Sch. 8 para. 119(7)(a)** (with s. 25(2)); (E.W.) S.I. 1992/2984, art. 2(2), **Sch. 2** and (S.) S.I. 1992/2990, art. 2(2), **Sch. 2**.

F647 Sch. 4 para. 7(e) repealed (1.1.1993) by [New Roads and Street Works Act 1991 \(c. 22, SIF 59, 108\)](#), s. 168(1), **Sch. 8 para. 119(7)(b)**, **Sch. 9** (with s. 25(2)); (E.W.) S.I. 1992/2984, art. 2(2), **Sch. 2** and (S.) S.I. 1992/2990, art. 2(2), **Sch. 2**.

F648 Sch. 4 para. 7(f) substituted (1.1.1993) by [New Roads and Street Works Act 1991 \(c. 22, SIF 59, 108\)](#), s. 168(1), **Sch. 8 para. 119(7)(c)** (with s. 25(2)); (E.W.) S.I. 1992/2984, art. 2(2), **Sch. 2** and (S.) S.I. 1992/2990, art. 2(2), **Sch. 2**.

Marginal Citations

M42 1984 c. 54.

[^{F649}SCHEDULE 4A

Section 23C

PROCEDURE FOR APPEALS UNDER SECTION 23B

Textual Amendments

F649 Sch. 4A inserted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), 41(8), **Sch. 5** (with reg. 42)

Application for permission to bring appeal

1. (1) An application for permission to bring an appeal may be made only by sending a notice to the Commission requesting the permission.
- (2) Only a person entitled under section 23B to bring the appeal if permission is granted may apply for permission.

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- (3) Where the Authority publishes a decision to modify the conditions of any licence under section 23(7), any application for permission to appeal is not to be made after the end of 20 working days beginning with the first working day after the day on which the decision is published.
- (4) An application for permission to appeal must be accompanied by all such information as may be required by appeal rules.
- (5) Appeal rules may require information contained in an application for permission to appeal to be verified by a statement of truth.
- (6) A person who applies for permission to bring an appeal in accordance with this paragraph is referred to in this Schedule as the appellant.
- (7) The appellant must send the Authority—
 - (a) a copy of the application for permission to appeal at the same time as it is sent to the Commission; and
 - (b) such other information as may be required by appeal rules.
- (8) The Commission's decision whether to grant permission to appeal is to be taken by an authorised member of the Commission.
- (9) Before deciding whether to grant permission under this paragraph, the Commission must give the Authority an opportunity of making representations or observations, in accordance with paragraph 3(2).
- (10) The Commission's decision on an application for permission must be made—
 - (a) where the Authority makes representations or observations in accordance with paragraph 3(2), before the end of 10 working days beginning with the first working day after the day on which those representations or observations are received;
 - (b) in any other case, before the end of 14 working days beginning with the first working day after the day on which the application for permission is received.
- (11) The grant of permission may be made subject to conditions, which may include—
 - (a) conditions which limit the matters that are to be considered on the appeal in question;
 - (b) conditions for the purpose of expediting the determination of the appeal; and
 - (c) conditions requiring that appeal to be considered together with other appeals (including appeals relating to different matters or decisions and appeals brought by different persons).
- (12) Where a decision is made to grant or to refuse an application for permission, the Commission must notify the decision, giving reasons—
 - (a) to the appellant; and
 - (b) to the Authority.
- (13) A decision of the Commission under this paragraph must be published, in such manner as the Commission considers appropriate, as soon as reasonably practicable after it is made.
- (14) Section 23G(2) applies to the publication of a decision under sub-paragraph (13) as it does to the publication of a decision under section 23G.

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Suspension of decision

2. (1) The Commission may direct that, pending the determination of an appeal against a decision of the Authority—
 - (a) the decision is not to have effect; or
 - (b) the decision is not to have effect to such extent as may be specified in the direction.
- (2) The power to give a direction under this paragraph is exercisable only where—
 - (a) an application for its exercise has been made by the appellant at the same time that the appellant made an application in accordance with paragraph 1(3) for permission to bring an appeal against a decision of the Authority;
 - (b) the Commission has given the Authority an opportunity of making representations or observations, in accordance with paragraph 3(2);
 - (c) the relevant licence holder, the licence holder or consumers whose interests are materially affected mentioned in section 23B(2) (as the case may be) would incur significant costs if the decision were to have effect before the determination of the appeal; and
 - (d) the balance of convenience does not otherwise require effect to be given to the decision pending that determination.
- (3) The Commission's decision on an application for a direction under this paragraph must be made—
 - (a) where the Authority makes representations or observations in accordance with paragraph 3(2), before the end of 10 working days beginning with the first working day after the day on which those representations or observations are received;
 - (b) in any other case, before the end of 14 working days beginning with the first working day following the day on which the application under sub-paragraph (2)(a) is received.
- (4) The appellant must send the Authority a copy of the application for a direction under this paragraph at the same time as it is sent to the Commission.
- (5) The Commission's decision whether to give a direction is to be taken by an authorised member of the Commission.
- (6) A direction under this paragraph must be—
 - (a) given by an authorised member of the Commission; and
 - (b) published, in such manner as the Commission considers appropriate, as soon as reasonably practicable after it is given.
- (7) Section 23G(2) applies to the publication of a direction under sub-paragraph (6) as it does to the publication of a decision under section 23G.

Time limit for representations and observations by the Authority

3. (1) Sub-paragraph (2) applies where the Authority wishes to make representations or observations to the Commission in relation to—
 - (a) an application for permission to bring an appeal under paragraph 1;
 - (b) an application for a direction under paragraph 2.

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- (2) The Authority must make the representations or observations in writing before the end of 10 working days beginning with the first working day after the day on which it received a copy of the application under paragraph 1(7) or 2(4) as the case may be.
- (3) Sub-paragraph (4) applies where an application for permission to bring an appeal has been granted and the Authority wishes to make representations or observations to the Commission in relation to—
 - (a) the Authority’s reasons for the decision in relation to which the appeal is being brought;
 - (b) any grounds on which that appeal is being brought against that decision.
- (4) The Authority must make the representations or observations in writing before the end of 15 working days beginning with the first working day after the day on which permission to bring the appeal was granted.
- (5) The Authority must send a copy of the representations and observations it makes under this paragraph to the appellant.

Consideration and determination of appeal by group

4. (1) The following functions of the Commission must be carried out, in accordance with appeal rules, by a group selected for the purpose by the Chairman—
 - (a) considering an appeal;
 - (b) determining an appeal; and
 - (c) considering applications in relation to the giving of directions and taking other steps to give effect to the Commission’s determination on an appeal.
- (2) A group must consist of three members of the Commission.
- (3) The Chairman must appoint one of the members of a group to be its chair.
- (4) The Chairman may select a member of the Commission to replace another as a member of a group if—
 - (a) the person being replaced has ceased to be a member of the Commission;
 - (b) the Chairman is satisfied that the person being replaced will be unable, for a substantial period, to perform the person’s duties as a member of the group; or
 - (c) it appears to the Chairman that it is inappropriate, because of a particular interest of the person being replaced, for that person to remain a member of the group.
- (5) The replacement of a member of a group does not prevent—
 - (a) the group from continuing after the replacement of that member with anything begun before it;
 - (b) any decision made or direction given by that member from having effect after that member has been replaced.
- (6) Section 104(2) of the Utilities Act 2000 (specialist members) applies in selecting members of a group by way of replacement as it applies in selecting the members of the group initially.

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- (7) The persons who may be selected by the Chairman to be (or to replace) a member of a group, or who may be appointed to be the chair of a group, may include the Chairman.
- (8) A decision of a group is effective if, and only if—
 - (a) all the members of the group are present when it is made; and
 - (b) at least two members of the group are in favour of the decision.

Matters to be considered on appeal

- 5. (1) The group with the function of determining an appeal, if it thinks it necessary to do so for the purpose of securing the determination of the appeal within the period provided for by section 23F, may disregard—
 - (a) any or all matters raised by an appellant that were not raised by that appellant at the time of the relevant application; and
 - (b) any or all matters raised by the Authority that were not contained in representations or observations made for the purposes of the appeal in accordance with paragraph 3.
- (2) In this paragraph “relevant application” means an application under paragraph 1 or 2.

Production of documents etc.

- 6. (1) For the purposes of this Schedule, the Commission may, by notice, require—
 - (a) a person to produce to the Commission the documents specified or otherwise identified in the notice;
 - (b) any person who carries on a business to supply to the Commission such estimates, forecasts, returns or other information as may be specified or described in the notice in relation to that business.
- (2) The power to require the production of a document, or the supply of any estimate, forecast, return or other information, is a power to require its production or, as the case may be, supply—
 - (a) at the time and place specified in the notice; and
 - (b) in a legible form.
- (3) No person is to be compelled under this paragraph to produce a document or supply an estimate, forecast, return or other information that the person could not be compelled to produce in civil proceedings in the High Court or Court of Session.
- (4) The Commission may take copies of a document produced or an estimate, forecast, return or other information supplied to it under this paragraph.
- (5) A notice for the purposes of this paragraph—
 - (a) may be issued on the Commission’s behalf by any member of the Commission or by its secretary;
 - (b) must include information about the possible consequences of not complying with the notice (as set out in paragraph 10).

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Oral hearings

7. (1) For the purposes of this Schedule an oral hearing may be held, and evidence may be taken on oath—
- (a) by a person considering an application for permission to bring an appeal under paragraph 1;
 - (b) by a person considering an application for a direction under paragraph 2; or
 - (c) by a group with the function of determining an appeal;
- and, for that purpose, such a person or group may administer oaths.
- (2) The Commission may, by notice, require a person—
- (a) to attend at a time and place specified in the notice; and
 - (b) at that time and place, to give evidence to a person or group mentioned in sub-paragraph (1).
- (3) At any oral hearing the person or group conducting the hearing may require—
- (a) the appellant, or the Authority, if present at the hearing to give evidence or to make representations or observations; or
 - (b) a person attending the hearing as a representative of the appellant or of the Authority to make representations or observations.
- (4) A person who gives oral evidence at the hearing may be cross-examined by or on behalf of any party to the appeal.
- (5) If the appellant, the Authority, or the appellant’s or Authority’s representative is not present at a hearing—
- (a) the Commission is not required to give notice to that person under sub-paragraph (2); and
 - (b) the person or group conducting the hearing may determine the application or appeal without hearing that person’s evidence, representations or observations.
- (6) No person is to be compelled under this paragraph to give evidence which that person could not be compelled to give in civil proceedings in the High Court or Court of Session.
- (7) Where a person is required under this paragraph to attend at a place more than 10 miles from that person’s place of residence, the Commission must pay that person the necessary expenses of attendance.
- (8) A notice for the purposes of this paragraph may be issued on the Commission’s behalf by any member of the Commission or by its secretary.

Written statements

8. (1) The Commission may, by notice, require a person to produce a written statement with respect to a matter specified in the notice to—
- (a) a person who is considering, or is to consider, an application for a direction under paragraph 2; or
 - (b) a group with the function of determining an appeal.
- (2) The power to require the production of a written statement includes power—
- (a) to specify the time and place at which it is to be produced; and
 - (b) to require it to be verified by a statement of truth;

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and a statement required to be so verified must be disregarded unless it is so verified.

- (3) No person is to be compelled under this paragraph to produce a written statement with respect to any matter about which that person could not be compelled to give evidence in civil proceedings in the High Court or Court of Session.
- (4) A notice for the purposes of this paragraph may be issued on the Commission’s behalf by any member of the Commission or by its secretary.

Expert advice

9. Where permission to bring an appeal is granted under paragraph 1 the Commission may commission expert advice with respect to any matter raised by a party to that appeal.

Defaults in relation to evidence

10. (1) If a person (“the defaulter”)—
 - (a) fails to comply with a notice issued or other requirement imposed under paragraph 6, 7 or 8;
 - (b) in complying with a notice under paragraph 8, makes a statement that is false in any material particular; or
 - (c) in providing information verified in accordance with a statement of truth required by appeal rules, provides information that is false in a material particular,
 a member of the Commission may certify the failure, or the fact that such a false statement has been made or such false information has been given, to the High Court or the Court of Session.
- (2) The High Court or Court of Session may inquire into a matter certified to it under this paragraph; and if, after having heard—
 - (a) any witness against or on behalf of the defaulter; and
 - (b) any statement in that defaulter’s defence,
 it is satisfied that the defaulter did, without reasonable excuse, fail to comply with the notice or other requirement, or made the false statement, or gave the false information, that court may punish that defaulter as if the person had been guilty of contempt of court.
- (3) Where the High Court or Court of Session has power under this paragraph to punish a body corporate for contempt of court, it may so punish any director or other officer of that body (either instead of or as well as punishing the body).
- (4) A person who wilfully alters, suppresses or destroys a document that that person has been required to produce under paragraph 6 is guilty of an offence and shall be liable—
 - (a) on summary conviction, to—
 - (i) in England and Wales, a fine not exceeding the statutory maximum, and
 - (ii) in Scotland, a fine not exceeding £5,000;
 - (b) on conviction on indictment, to imprisonment for a term not exceeding two years or to a fine, or to both.

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Appeal rules

11. (1) The Commission may make rules of procedure regulating the conduct and disposal of appeals under section 23B.
- (2) Those rules may include provision supplementing the provisions of this Schedule in relation to any application, notice, hearing, power or requirement for which this Schedule provides; and that provision may, in particular, impose time limits or other restrictions on—
 - (a) the taking of evidence at an oral hearing; or
 - (b) the making of representations or observations at such a hearing.
- (3) The Commission must publish rules made under this paragraph in such manner as it considers appropriate for the purpose of bringing them to the attention of those likely to be affected by them.
- (4) Before making rules under this paragraph, the Commission must consult such persons as it considers appropriate.
- (5) Rules under this paragraph may make different provision for different cases.

Costs

12. (1) A group that determines an appeal must make an order requiring the payment to the Commission of the costs incurred by the Commission in connection with the appeal.
- (2) An order under sub-paragraph (1) must require those costs to be paid—
 - (a) where the appeal is allowed in full, by the Authority;
 - (b) where the appeal is dismissed in full, by the appellant;
 - (c) where the appeal is partially allowed, by one or more parties in such proportions as the Commission considers appropriate in all the circumstances.
- (3) The group that determines an appeal may also make such order as it thinks fit for requiring a party to the appeal to make payments to another party in respect of costs reasonably incurred by that other party in connection with the appeal.
- (4) A person who is required by an order under this paragraph to pay a sum to another person must comply with the order before the end of the period of 28 days beginning with the day after the making of the order.
- (5) Sums required to be paid by an order under this paragraph but not paid within the period mentioned in sub-paragraph (4) shall bear interest at such rate as may be determined in accordance with provision contained in the order.
- (6) Any costs payable by virtue of an order under this paragraph and any interest that has not been paid may be recovered as a civil debt by the person in whose favour that order is made.

Interpretation of Schedule

13. (1) In this Schedule—
 - “appeal” means an appeal under section 23B;
 - “appeal rules” means rules of procedure under paragraph 11;

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“authorised member of the Commission”, in relation to a power exercisable in connection with an appeal, means—

- (a) the Chairman;
- (b) a member of the Commission authorised by the Chairman to exercise that power; or
- (c) the chair of the group which has, or (if permission is granted) will have, the function of determining the appeal;

“the Chairman” means the Chairman of the Commission;

“the Commission” means the Competition Commission;

a “group” means a group selected in accordance with paragraph 4;

“statement of truth”, in relation to the production of a statement or provision of information by a person, means a statement that the person believes the facts stated in the statement or information to be true;

“working day” means any day other than—

- (a) Saturday or Sunday;
- (b) Christmas Day or Good Friday;
- (c) a day which is a bank holiday in England and Wales or Scotland under the Banking and Financial Dealings Act 1971.

(2) References in this Schedule to a party to an appeal are references to—

- (a) the appellant; or
- (b) the Authority.]

[^{F650}SCHEDULE 4B

Section 28(8)

PROVISIONS IMPOSING OBLIGATIONS ENFORCEABLE AS RELEVANT REQUIREMENTS

Textual Amendments

F650 Sch. 4B inserted (10.11.2011) by [The Electricity and Gas \(Internal Markets\) Regulations 2011 \(S.I. 2011/2704\)](#), regs. 1(1), 37(6), [Sch. 3](#)

All licence holders

1. The following are relevant provisions in relation to all licence holders—
 - (a) section 33DB;
 - (b) section 33F;
 - (c) in the Consumers, Estate Agents and Redress Act 2007—
 - (i) section 25(5) (directions to comply with requirements under section 24 of that Act),
 - (ii) sections 43, 46 and 47 (complaints);
 - (d) Article 18(6) of the Gas Regulation (duties to make available information about gas demand and supply).

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Gas transporters

2. The following are relevant provisions in relation to all holders of a licence under section 7—
- (a) section 9(1), (1A) and (2);
 - (b) section 10(2), (3) and (14);
 - (c) section 10A(1);
 - (d) section 11(2);
 - (e) section 12(1) and (6);
 - (f) section 16(10);
 - (g) section 18(11);
 - (h) section 22A(1);
 - (i) section 27A(5);
 - (j) section 33BA;
 - (k) section 33C;
 - (l) section 33D;
 - (m) paragraphs 3, 6, 15, 16 and 28(2) of Schedule 2B;
 - (n) sections 26 to 29 of the Energy Act 2010 (adjustment of charges to help disadvantaged groups of customers).

Persons required to be certified as to independence

3. The following are relevant provisions in relation to a person who holds a licence under section 7 or 7ZA and is required to be certified under section 8F—
- (a) section 8C;
 - (b) section 8D(4) and (6);
 - (c) section 8L(2) and (4);
 - (d) in the Gas Regulation—
 - (i) Article 3(3) (duty to supply information relating to certification of transmission system operators),
 - (ii) Article 4 (duty to cooperate through the ENTSO for Gas),
 - (iii) Article 11 (duty to pay costs of the ENTSO for Gas),
 - (iv) Article 12(1) and (2) (duties relating to regional cooperation),
 - (v) Article 13 (duties relating to tariffs for access to networks),
 - (vi) Article 14 (duties relating to third-party access services),
 - (vii) Article 16 (duties relating to capacity allocation and congestion management),
 - (viii) Article 18(1), (2), (3) and (5) (transparency requirements concerning transmission system operators),
 - (ix) Article 19(4) (publication requirements concerning storage facilities and LNG facilities),
 - (x) Article 20 (duty to keep records),
 - (xi) Article 21 (duties relating to balancing rules and imbalance charges),
 - (xii) Article 22 (duties relating to trading of capacity rights);
 - (e) in Annex 1 to the Gas Regulation (guidelines)—
 - (i) points 1 to 10 under heading 1 (duties relating to third-party access services),

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- (ii) points 1 to 6 under sub-heading 2.1 (duties relating to capacity allocation and congestion management),
- (iii) points 1, 2 and 4 under sub-heading 2.2 (duties relating to congestion management procedures in event of contractual congestion),
- (iv) points 3.1.1 and 3.1.2 under sub-heading 3.1 (duties concerning publication of technical information necessary for access to the system),
- (v) points 2 and 3 under sub-heading 3.2 (duties concerning publication of information for certain relevant points of the network),
- (vi) points 1 to 5 under sub-heading 3.3 (duties concerning publication of information at all relevant points of the network),
- (vii) points 1 to 7 under sub-heading 3.4 (duties concerning publication of information about the transmission system).

Gas suppliers and gas shippers

4. The following are relevant provisions in relation to the holder of a licence under section 7A—
- (a) section 27A(6);
 - (b) sections 33B and 33C;
 - (c) paragraph 3(4) of Schedule 2AA;
 - (d) paragraphs 3, 6 and 28(2) of Schedule 2B;
 - (e) in the Energy Act 2010—
 - (i) sections 9 and 11 (schemes for reducing fuel poverty),
 - (ii) sections 26 to 29 (adjustment of charges to help disadvantaged groups of customers).

Distribution exemption holders

5. The following paragraphs of Schedule 2AA are relevant provisions in relation to a distribution exemption holder—
- (a) paragraph 1(3), (4) and (6) to (8);
 - (b) paragraph 2(2) to (4), (6) and (9);
 - (c) paragraph 3(6), (12)(a) and (13);
 - (d) paragraph 5(1) to (4), (6), (8) and (9);
 - (e) paragraph 6(2);
 - (f) paragraph 7(3) and (4);
 - (g) paragraph 8(3) and (8);
 - (h) paragraph 9;
 - (i) paragraph 13(2);
 - (j) paragraph 14(5), (6), (9) and (12);
 - (k) paragraph 15(1).

Supply exemption holders

6. The following are relevant provisions in relation to a supply exemption holder—
- (a) paragraph 3(4) of Schedule 2AA;

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- (b) the following paragraphs of Schedule 2AB—
 - (i) paragraph 1(2), (3), (6) and (7),
 - (ii) paragraph 2(6),
 - (iii) paragraph 3(1) and (3),
 - (iv) paragraph 4,
 - (v) paragraph 5(1), (6) and (8),
 - (vi) paragraph 6.

Owners of storage facilities

7. The following are relevant provisions in relation to an owner of a storage facility—
- (a) section 8R(2), (3), (4), (6) and (7);
 - (b) section 11A(2);
 - (c) section 11C;
 - (d) section 19B(1), (3), (3A), (3B), (7) and (11);
 - (e) section 19E(2) and (3);
 - (f) in the Gas Regulation—
 - (i) Article 15 (duties relating to third-party access services),
 - (ii) Article 17 (duties relating to capacity allocation and congestion management),
 - (iii) Article 19 (transparency requirements concerning storage facilities),
 - (iv) Article 20 (duty to keep records),
 - (v) Article 22 (duties relating to trading of capacity rights).

Owners of LNG import or export facilities

8. The following are relevant provisions in relation to an owner of an LNG import or export facility—
- (a) section 11A(2);
 - (b) section 11B;
 - (c) section 11C;
 - (d) section 19D(1), (2A), (2B), (3), (7) and (11);
 - (e) section 19E(2) and (3);
 - (f) in the Gas Regulation—
 - (i) Article 15(1) and (3) to (5) (duties relating to third-party access services),
 - (ii) Article 17 (duties relating to capacity allocation and congestion management),
 - (iii) Article 19 (transparency requirements concerning LNG facilities),
 - (iv) Article 20 (duty to keep records),
 - (v) Article 22 (duties relating to trading of capacity rights).

Gas undertakings which are relevant producers or suppliers

9. The following are relevant provisions in relation to a gas undertaking which is a relevant producer or supplier—
- (a) section 8D(5) and (6);

Status: Point in time view as at 21/03/2012.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 09 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

- (b) section 8L(3) and (4);
- (c) section 10B(5) and (6) of the Electricity Act 1989 (duties concerning supply of information for application for certification as to independence);
- (d) section 10J(3) and (4) of that Act (duties concerning supply of information for review of certification as to independence);
- (e) Article 3(3) of the Gas Regulation (duty to supply information relating to certification of gas transmission system operators);
- (f) Article 3(3) of the Electricity Regulation (duty to supply information relating to certification of electricity transmission system operators).

Interpretation

- 10. References in this Schedule to provisions of Annex 1 to the Gas Regulation are references to those provisions as amended from time to time.]

^{F651}SCHEDULE 5

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Textual Amendments

F651 Sch. 5 repealed (1.3.1996) by 1995 c. 45, ss. 9(3), 17(5), **Sch. 6**; S.I. 1996/218, **art. 2**; Sch. 5 expressed to be amended (30.12.2002) by 2002 asp 17, ss. 61, 64(2), **Sch. 3 Pt. 1 para. 16(3)** (with s. 63)

^{F654}SCHEDULE 6

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Textual Amendments

F654 Sch. 6 repealed 31.7.1998 but without effect in relation to gas levy for the year 1997-98 or any other previous year) by 1998 c. 36, s. 165, **Sch. 27 Pt. V(3)** Note 1

SCHEDULE 7

Section 67(1).

MINOR AND CONSEQUENTIAL AMENDMENTS

Interpretation

- 1 In this Schedule “public gas supplier” has the same meaning as in Part I of this Act.

Enactments relating to statutory undertakers etc.

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Status: Point in time view as at 21/03/2012.

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Textual Amendments

F655 Sch. 7 para. 2 repealed (1.3.1996) by 1995 c. 45, s. 17(5), **Sch. 6**; S.I. 1996/218, **art. 2**

3

F656

Textual Amendments

F656 Sch. 7 para. 3 repealed by Water Act 1989 (c. 15, SIF 130), s. 190(3), **Sch. 27 Pt. I** (with ss. 58(7), 101(1), 141(6), 160(1)(2)(4), 163, 189(4)–(10), 190, 193(1), Sch. 26 paras. 3(1)(2), 17, 40(4), 41(1), 57(6), 58)

The Rights of Entry (Gas and Electricity Boards) Act 1954

F657

Textual Amendments

F657 Sch. 7 para. 4 repealed (1.3.1996) by 1995 c. 45, s. 17(5), **Sch. 6**; S.I. 1996/218, **art. 2**

The Pipe-lines Act 1962

F658

Textual Amendments

F658 Sch. 7 para. 5 repealed (1.3.1996) by 1995 c. 45, s. 17(5), **Sch. 6**; S.I. 1996/218, **art. 2**

- 6 (1) The ^{M44}Gas Act 1965—
- (a) shall have effect without the amendments made by paragraph 14 of Schedule 6 to the 1972 Act and the associated repeals made by Schedule 8 to that Act; and
 - (b) as so having effect, shall be amended as follows.

F659 (2)

- (3) In Part II, for the words “section 11 of the principal Act”, wherever they occur, there shall be substituted the words “ Schedule 3 to the principal Act ”.
- (4) In section 4(2), the words from “shall relate only” to “statutory corporation and” shall be omitted.
- (5) In section 5(5), for the words “inform the Minister that they object” there shall be substituted the words “ informs the Minister that he objects ”.
- (6) In section 6(1), for the word “apply” there shall be substituted the word “ applies ”, for the word “satisfy” there shall be substituted the word “ satisfies ” and for the words “they think” there shall be substituted the words “ he thinks ”.
- (7) In section 6(2), for the words “have taken” there shall be substituted the words “ has taken ” and for the word “them” there shall be substituted the word “ him ”.

Status: Point in time view as at 21/03/2012.

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- (8) In section 6(3), for the word “them” there shall be substituted the word “him”.
- (9) In section 6(4), for the word “their” there shall be substituted the word “his” and for the word “cause” there shall be substituted the word “causes”.
- (10) In section 6(8), for the word “apply” there shall be substituted the word “applies” and for the word “they” there shall be substituted the word “he”.
- (11) In section 13(3), for the word “propose” there shall be substituted the word “proposes” and for the words “the said section 11” there shall be substituted the words “the said Schedule 3”.
- (12) In section 15(2), for the word “their” there shall be substituted the word “his”.
- (13) In section 16(1), for the words “develop or operate” there shall be substituted the words “develops or operates”.
- (14) In sections 16(5) and 18(9), for the word “fail” there shall be substituted the word “fails”.
- (15) In section 17(5), for the word “them” there shall be substituted the word “him”.
- (16) In section 19(3)—
- (a) at the beginning there shall be inserted the words “Every public gas supplier to whom a storage authorisation order applies during any period shall pay to the Minister such proportion as the Minister may determine of”; and
 - (b) for the words “shall be repaid to him by the Gas Council and” there shall be substituted the words “and any sums received by the Minister under this subsection shall be”.
- (17) In section 19(4), for the words “the Gas Council in respect of sums payable by them” there shall be substituted the words “a public gas supplier in respect of sums payable by him”.
- (18) In section 21(1), for the words “Section 68(1)” there shall be substituted the words “Section 43(1)”.
- (19) In section 21(2), for the words “Section 69(1)” there shall be substituted the words “Section 43(2)” and for the words “section 68(1)” there shall be substituted the words “section 43(1)”.
- (20) In section 21(3), the words “any gas authority or” and the words “authority or”, in the second place where they occur, shall be omitted.
- (21) In section 22(1), for the words “Section 70” there shall be substituted the words “Section 46”.
- (22) In section 22(2), for the words “Section 73 of the principal Act” there shall be substituted the words “Section 46 of the Gas Act 1972” and for the words “the principal Act”, in the second place where they occur, there shall be substituted the words “that Act”.
- (23) In section 27(1), for the words “the Corporation” there shall be substituted the words “the public gas supplier concerned”.
- (24) In section 28(1)—
- (a) the definition of “gas authority” shall be omitted; and

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- (b) for the definition of “large-scale map” there shall be substituted the following definition—

““large-scale map” means a map drawn on a scale not less than 1 in 10,560;”

- (25) In section 32(2), for the words “the Gas Act 1948, ” Area Board ’ has the same meaning as in” there shall be substituted the words “ the Gas Act 1986, ” public gas supplier ’ has the same meaning as in Part I of ”.

- (26) In Schedule 2—

- (a) for the words “the applicants”, wherever they occur, there shall be substituted the words “ the applicant ”;
- (b) for the words “their proposals”, wherever they occur, there shall be substituted the words “ his proposals ”;
- (c) for the words “their application”, wherever they occur, there shall be substituted the words “ his application ”;
- (d) for the words “section 73 of the principal Act”, wherever they occur, there shall be substituted the words “ section 46 of the Gas Act 1972 ”;
- (e) in paragraph 5(2), for the words “the applicants” there shall be substituted the words “ the applicant’s ”;
- (f) in paragraph 9(1), for the words “they have been, or expect” there shall be substituted the words “ he has been, or expects ” and for the words “they must” there shall be substituted the words “ he must ”;
- (g) in paragraph 9(2), for the word “have”, in both places where it occurs, there shall be substituted the word “ has ”; and

^{F659}(h)

- (27) In Schedule 6—

- (a) for the words “the applicants”, wherever they occur, there shall be substituted the words “ the applicant ”;
- (b) in paragraph 1(2), for the words “their application” there shall be substituted the words “ his application ”;
- (c) in paragraph 1(4), for the words “their proposals” there shall be substituted the words “ his proposals ”;
- (d) in paragraph 5, for the words “gas board” there shall be substituted the words “ public gas supplier ”;
- (e) in paragraph 7(1), for the words “their powers” there shall be substituted the words “ his powers ”; and
- (f) in paragraph 7(2), for the words “their duty” there shall be substituted the words “ his duty ”.

Textual Amendments

F659 Sch. 7 para. 6(2)(26)(h) repealed (1.3.1996) by [1995 c. 45, s. 17\(5\)](#), [Sch. 6](#); S.I. 1996/218, [art. 2](#)

Marginal Citations

M44 [1965 c. 36](#).

Status: Point in time view as at 21/03/2012.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 09 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

The Local Government (Scotland) Act 1966

F660 7

Textual Amendments

F660 Sch. 7 para. 7 repealed (19.5.1997) by 1997 c. 29, s. 33(2), **Sch. 4**; S.I. 1997/1097, art. 3(d), **Sch.**

8 **F661**

Textual Amendments

F661 Sch. 7 para. 8 repealed for financial years beginning in or after 1990 by **Local Government Finance Act 1988** (c. 41, SIF 81:1), ss. 142, 149, **Sch. 13 Pt. I** (but subject to any saving under s. 117(8) of that 1988 Act)

The Transport Act 1968

- 9 In section 109(2) of the ^{M45}Transport Act 1968 (power of certain bodies to maintain or take over waterways and connected works), for paragraph (d) there shall be substituted the following paragraph—
- “(d) a public gas supplier within the meaning of Part I of the Gas Act 1986;”.

Marginal Citations

M45 1968 c. 73.

The Post Office Act 1969

F662 10

Textual Amendments

F662 Sch. 7 para. 10 repealed (26.3.2001) by 2000 c. 26, s. 127(6), **Sch. 9**; S.I. 2001/1148, art. 2(2), **Sch.** Table (subject to transitional provisions in arts. 3-42)

The Chronically Sick and Disabled Persons Act 1970

- 11 In section 14(1) of the ^{M46}Chronically Sick and Disabled Persons Act 1970 (miscellaneous advisory committees), for the words “the National Gas Consumers’ Council and the Regional Gas Consumers’ Councils” there shall be substituted the words “the Gas Consumers’ Council”.

Marginal Citations

M46 1970 c. 44.

Status: Point in time view as at 21/03/2012.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 09 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

12 F663

Textual Amendments

F663 Sch. 7 para. 12 repealed by [Planning \(Consequential Provisions\) Act 1990 \(c. 11, SIF 123:1, 2\), s. 3, Sch. 1 Pt. I](#)

The Town and Country Planning (Scotland) Act 1972

F664 13

Textual Amendments

F664 Sch. 7 para. 13 repealed (27.5.1997) by [1997 c. 11, ss. 3, 6\(2\), Sch. 1 Pt. I](#) (with s. 5, Sch. 3)

The Land Compensation Act 1973

- 14 (1) In section 44(2) of the ^{M47}Land Compensation Act 1973 (compensation for injurious affection), for the words “paragraph 13 of Schedule 2 to the Gas Act 1972” there shall be substituted the words “ paragraph 7 of Schedule 3 to the Gas Act 1986 ”.
- (2) In section 58(2) of that Act (determination of material detriment where part of house etc. proposed for compulsory acquisition), for the words “paragraph 14 of Schedule 2 to the Gas Act 1972” there shall be substituted the words “ paragraph 8 of Schedule 3 to the Gas Act 1986 ”.

Marginal Citations

M47 1973 c. 26.

The Fair Trading Act 1973

F665 15

Textual Amendments

F665 Sch. 7 para. 15 repealed (20.6.2003) by [Enterprise Act 2002 \(c. 40\), s. 279, Sch. 26; S.I. 2003/1397, art. 2\(1\), Sch.](#) (with art. 8)

The Land Compensation (Scotland) Act 1973

- 16 (1) In section 41(2) of the ^{M48}Land Compensation (Scotland) Act 1973 (compensation for injurious affection), for the words “paragraph 26 of Schedule 2 to the Gas Act 1972” there shall be substituted the words “ paragraph 24 of Schedule 3 to the Gas Act 1986 ”.
- (2) In section 54(2) of that Act (determination of material detriment where part of house etc. proposed for compulsory acquisition), for the words “paragraph 24 of Schedule 2

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to the Gas Act 1972” there shall be substituted the words “ paragraph 22 of Schedule 3 to the Gas Act 1986 ”.

Marginal Citations

M48 1973 c. 56.

The Local Government Act 1974

F666¹⁷

Textual Amendments

F666 Sch. 7 para. 17 repealed (1.3.1996) by 1995 c. 45, s. 17(5), **Sch. 6**; S.I. 1996/218, **art. 2**

The Health and Safety at Work etc. Act 1974

18 At the end of section 34 of the ^{M49}Health and Safety at Work etc. Act 1974 (extension of time for bringing summary proceedings) there shall be inserted the following subsection—

“(6) In the application of subsection (4) above to Scotland, after the words ” applies to ’ there shall be inserted the words ” any offence under section 33(1) (c) above where the health and safety regulations concerned were made for the general purpose mentioned in section 18(1) of the Gas Act 1986 and”.

Marginal Citations

M49 1974 c. 37.

The Consumer Credit Act 1974

F667¹⁹

Textual Amendments

F667 Sch. 7 para. 19 repealed (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, **Sch. 26**; S.I. 2003/1397, art. 2(1), Sch. (with art. 8)

The Oil Taxation Act 1975

F668²⁰

Textual Amendments

F668 Sch. 7 para. 20 repealed (1.3.1996) by 1995 c. 45, s. 17(5), **Sch. 6**; S.I. 1996/218, **art. 2**

Status: Point in time view as at 21/03/2012.

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^{F669} *The Local Government (Scotland) Act 1975*

Textual Amendments

F669 Sch. 7 para. 21 repealed (S.) by [Local Government Finance Act 1988 \(c. 41, SIF 81:1\)](#), ss. 142, 149, [Sch. 13](#)

- 21 In Schedule 1 to the ^{M50}Local Government (Scotland) Act 1975—
- (a) in paragraphs 3 to 3B, for references to the Corporation there shall be substituted references to a public gas supplier;
 - (b) in paragraph 3, there shall be added at the end the following sub-paragraph—
 - “(3) In this paragraph and in paragraphs 3A and 3B below—
 - “gas” means any substance which is or (if it were in a gaseous state) would be gas within the meaning of Part I of the Gas Act 1986;
 - “public gas supplier” has the same meaning as in Part I of the Gas Act 1986;
 - “private gas supplier” means a person who is authorised by section 6 of the said Act of 1986, or by an authorisation under section 8 of that Act, to supply gas through pipes to consumers’ premises.”; and
 - (c) in paragraphs 3A and 3B, for references to a private supplier there shall be substituted references to a private gas supplier.]

Marginal Citations

M50 1975 c. 30.

The Coal Industry Act 1975

^{F670}22

Textual Amendments

F670 Sch. 7 para. 22 repealed (31.10.1994) by [1994 c. 21, s. 67, Sch. 11 Pt. II](#) (with s. 40(7)); S.I. 1994/2553, [art. 2](#)

The Restrictive Trade Practices Act 1976

- 23 In section 41(1)(a) of the ^{M51}Restrictive Trade Practices Act 1976 (disclosure of information), after the words “the Director General of Telecommunications,” there shall be inserted the words “ the Director General of Gas Supply, ” and after the words “or the ^{M52}Telecommunications Act 1984” there shall be inserted the words “ or the Gas Act 1986 ”.

Status: Point in time view as at 21/03/2012.

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Marginal Citations

M51 1976 c. 34.

M52 1984 c. 12.

The Local Government (Miscellaneous Provisions) Act 1976

- 24 In section 33 of the ^{M53}Local Government (Miscellaneous Provisions) Act 1976 (restoration or continuation of supply of water, gas or electricity), for the word “undertakers”, wherever it occurs, there shall be substituted the word “ person ”.

Marginal Citations

M53 1976 c. 57.

The Land Drainage Act 1976

- [^{F671}25 In section 112(2)(a) of the ^{M54}Land Drainage Act 1976 (protection of nationalised undertakings etc.), for the words “the British Gas Corporation” there shall be substituted the words “ any public gas supplier within the meaning of Part I of the Gas Act 1986 ”.]

Textual Amendments

F671 Sch. 7 para. 25 repealed (E.W.) by [Water Consolidation \(Consequential Provisions\) Act 1991 \(c. 60, SIF 130\)](#), ss. 3(1), 4(2), **Sch.3** (with s. 2(2), Sch. 2 paras. 10, 14(1), 15)

Marginal Citations

M54 1976 c. 70.

The Energy Act 1976

- 26 ^{F672}(1)
- (2) In section 12(2) of that Act (disposal of gas by flaring), for the words “the British Gas Corporation” there shall be substituted the words “ a public gas supplier within the meaning of Part I of the Gas Act 1986 ”.

Textual Amendments

F672 Sch. 7 para. 26(1) repealed (1.3.1996) by [1995 c. 45, s. 17\(5\)](#), **Sch. 6**; [S.I. 1996/218, art. 2](#)

The Estate Agents Act 1979

- 27 In section 10(3)(a) of the ^{M55}Estate Agents Act 1979 (exceptions to restrictions on disclosure of information), after the words “the Telecommunications Act 1984” there shall be inserted the words “or the Gas Act 1986” and after the words “the Director General of Telecommunications,” there shall be inserted the words “the Director General of Gas Supply,”.

Status: Point in time view as at 21/03/2012.

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Marginal Citations

M55 1979 c. 38.

The Competition Act 1980

- 28 (1) In subsection (2)(a) of section 19 of the ^{M56}Competition Act 1980 (exceptions to restriction on disclosure of information), after the words “the Director General of Telecommunications,” there shall be inserted the words “the Director General of Gas Supply,”.
- (2) In subsection (3) of that section, at the end there shall be inserted the following paragraph—
- “(h) the Gas Act 1986.”

Marginal Citations

M56 1980 c. 21.

The Acquisition of Land Act 1981

- 29 In section 28 of the ^{M57}Acquisition of Land Act 1981 (acquisition of rights over land by the creation of new rights), paragraph (a) shall be omitted and after paragraph (f) there shall be inserted the following paragraph—
- “(g) paragraph 1 of Schedule 3 to the Gas Act 1986.”

Marginal Citations

M57 1981 c. 67.

The Building Act 1984

- 30 In section 80(3) of the ^{M58}Building Act 1984 (notice to local authority of intended demolition), for paragraph (b) there shall be substituted the following paragraph—
- “(b) any public gas supplier (as defined in Part I of the Gas Act 1986) in whose authorised area (as so defined) the building is situated,”.

Marginal Citations

M58 1984 c. 55.

Status: Point in time view as at 21/03/2012.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 09 September 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)

Textual Amendments

F673 Sch. 7 para. 31 repealed by [Insolvency Act 1986 \(c. 45, SIF 66\)](#), s. 438, [Sch. 12](#); Sch. 7 para. 31 expressed to be repealed (1.3.1996) by [1995 c. 45, s. 17\(5\)](#), [Sch. 6](#); [S.I. 1996/218](#), [art. 2](#)

The Bankruptcy (Scotland) Act 1985

- 32 In section 70(4)(a) of the ^{M59}Bankruptcy (Scotland) Act 1985 (supplies by utilities), for the words “the British Gas Corporation” there shall be substituted the words “a public gas supplier within the meaning of Part I of the Gas Act 1986”.

Marginal Citations

M59 [1985 c. 66](#).

SCHEDULE 8

Section 67(3).

TRANSITIONAL PROVISIONS AND SAVINGS

PART I

PROVISIONS AND SAVINGS COMING INTO FORCE ON APPOINTED DAY

- 1 (1) A notification received or given by the Secretary of State under subsection (1) of section 29A of the 1972 Act which is effective on the appointed day shall have effect as if received or given by the Secretary of State under subsection (1) of section 6 of this Act; and the provisions of this Act shall apply accordingly.
- (2) A direction given by the Secretary of State under subsection (2) of the said section 29A which is effective on the appointed day shall have effect as if given by the Secretary of State under subsection (2) of the said section 6; and the provisions of this Act shall apply accordingly.
- 2 A consent given or having effect as if given under section 29 of the 1972 Act by the Secretary of State which is effective on the appointed day shall have effect as an authorisation granted by the Secretary of State under section 8 of this Act; and the provisions of this Act shall apply accordingly.
- 3 Any regulations made under section 25 of the 1972 Act which are effective on the appointed day shall have effect as if—
- (a) they were made under section 12 of this Act; and
 - (b) references in those regulations to the Corporation were references to a public gas supplier within the meaning of Part I of this Act;
- and the provisions of this Act shall apply accordingly.
- 4 Any regulations made or having effect as if made under section 29B of the 1972 Act which are effective on the appointed day shall have effect as if—
- (a) they were made under section 16 of this Act; and

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- (b) references in those regulations to the Corporation were references to a public gas supplier within the meaning of Part I of this Act; and the provisions of this Act shall apply accordingly.
- 5 Any meter which immediately before the appointed day is, or is treated as, stamped under section 30 of the 1972 Act shall be treated as stamped under section 17 of this Act.
- 6 (1) This paragraph applies to any regulations made or having effect as if made under section 31 of the 1972 Act which—
- (a) are effective on the appointed day; and
 - (b) do not make such provision as is mentioned in subsections (2) to (4) of that section or in section 42(2) of that Act.
- (2) Any regulations to which this paragraph applies shall have effect as if made under section 15 of the ^{M60}Health and Safety at Work etc. Act 1974 for [^{F674}the general purpose of protecting the public from personal injury, fire, explosions and other dangers arising from the transmission or distribution of gas through pipes, or from the use of gas supplied through pipes]; and, subject to sub-paragraph (3) below, the provisions of Part I of that Act and the provisions of this Act shall apply accordingly.
- ^{F675}[(2A) In sub-paragraph (2) above “gas” has the same meaning as in Part I of this Act.]
- (3) Section 1(2) of the said Act of 1974 shall have effect as if any regulations to which this paragraph applies were in force under an enactment specified in the third column of Schedule 1 to that Act.
- (4) Section 20 of the said Act of 1974 shall have effect as if anything done before the appointed day in contravention of any regulations to which this paragraph applies has been done on or after that day.

Textual Amendments

F674 Words in Sch. 8 para. 6(2) substituted (6.3.1992) by [Offshore Safety Act 1992 \(c. 15\), s. 3\(3\)\(c\)](#).

F675 Sch. 8 para. 6(2A) inserted (6.3.1992) by [Offshore Safety Act 1992 \(c. 15\), s. 3\(3\)\(d\)](#).

Marginal Citations

M60 1974 c. 37.

- 7 (1) A direction given by the Secretary of State under section 17 of the ^{M61}Oil and Gas (Enterprise) Act 1982 which is effective on the appointed day shall have effect as if given by the Director under section 19 of this Act; and the provisions of this Act shall apply accordingly.
- (2) Any reference in a deed or other instrument to the functions of the Corporation shall be taken to include a reference to any obligations arising under an agreement entered into by the Corporation in pursuance of directions given or having effect as if given under section 19 of this Act.

Marginal Citations

M61 1982 c. 23.

Status: Point in time view as at 21/03/2012.

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- 8 (1) A notice given to the Secretary of State under subsection (1) of section 15 of the Oil and Gas (Enterprise) Act 1982 which is effective on the appointed day shall have effect as if given to the Director under subsection (1) of section 20 of this Act and as if any map accompanying that notice and complying with the requirements of subsection (2) of the said section 15 complied with the requirements of subsection (2) of the said section 20; and the provisions of this Act shall apply accordingly.
- (2) A notice published by the Secretary of State under section 15(3) of the said Act of 1982 which is effective on the appointed day shall have effect as if published by the Director under section 20(3) of this Act; and the provisions of this Act shall apply accordingly.
- (3) A direction given by the Secretary of State under section 15(4) of the said Act of 1982 which is effective on the appointed day shall have effect as if given by the Director under section 20(4) of this Act; and the provisions of this Act shall apply accordingly.
- 9 A direction given by the Secretary of State under section 16(1) of the ^{M62}Oil and Gas (Enterprise) Act 1982 which is effective on the appointed day shall have effect as if given by the Director under section 21(1) of this Act; and the provisions of this Act shall apply accordingly.

Marginal Citations

M62 1982 c. 23.

- 10 Any maximum prices fixed by the Corporation under paragraph 12 of Schedule 4 to the 1972 Act which are effective on the appointed day shall have effect as if fixed by the Director under section 37 of this Act.
- 11 Any office fixed or address published before the appointed day for the purposes of section 44 of the 1972 Act shall be deemed on and after that day to have been fixed or published for the purposes of section 46(3) of this Act.
- 12 (1) Where immediately before the appointed day there is in force an agreement which—
- confers or imposes on the Corporation any rights or liabilities; and
 - refers (in whatever terms and whether expressly or by implication) to any provision of the 1972 Act, to the Corporation’s statutory gas undertaking or to statutory purposes,
- the agreement shall have effect, in relation to anything falling to be done on or after that day, as if for that reference there were substituted a reference to the corresponding provision of this Act, to the Corporation’s undertaking as a public gas supplier or, as the case may require, to purposes connected with the supply of gas through pipes to premises in the Corporation’s authorised area.
- (2) In this paragraph “authorised area” and “public gas supplier” have the same meanings as in Part I of this Act.
- (3) References in this paragraph to an agreement include references to a deed, bond or other instrument.
- 13 Where—
- any sum was deposited with the Corporation by way of security under any provision of the 1972 Act; and
 - on and after the appointed day that sum is treated by the Corporation as deposited under any provision of this Act,

Status: Point in time view as at 21/03/2012.

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any period beginning three months or less before that day, being a period during which the sum was deposited with the Corporation, shall be treated for the purposes of the payment of interest on that sum as a period during which the sum was deposited under that provision of this Act.

- 14 The repeal by this Act of section 43 of the 1972 Act shall not affect the operation of that section in relation to offences committed before the appointed day.
- 15 The repeal by this Act of section 46 of the 1972 Act shall not affect the operation of that section as applied by section 22 of the ^{M63}Gas Act 1965.

Marginal Citations

M63 1965 c. 36.

- 16 The repeal by this Act of Schedule 4 to the 1972 Act shall not affect the operation on or after the appointed day of so much of that Schedule as relates to the determination by arbitration of any matter which immediately before that day falls to be determined by arbitration under that Schedule.
- 17 The repeal by this Act of any provision by virtue of which any enactment applies in relation to a person carrying on a gas undertaking shall not affect the continuing validity of anything done under that enactment before the appointed day; and that enactment shall continue for the purposes of anything so done to have effect on and after that day as if the enactment continued to apply in relation to the Corporation and, after the transfer date, to the successor company as it applied in relation to the Corporation before the appointed day.

PART II

PROVISIONS AND SAVINGS COMING INTO FORCE ON TRANSFER DATE

- 18 An authorisation granted under section 7 of this Act to the Corporation which is effective on the transfer date shall have effect as if granted to the successor company.
- 19 A declaration made by the Corporation in accordance with regulations made, or having effect as if made, under section 12(3) of this Act which is effective on the transfer date shall have effect as if made by the successor company.
- 20 A tariff fixed, or having effect as fixed, under section 14(1) of this Act by the Corporation which is effective on the transfer date shall have effect as if fixed by the successor company.
- 21 A direction given, or having effect as if given, under section 19 of this Act to the Corporation which is effective on the transfer date shall have effect as if given to the successor company.
- 22 (1) A notice given, or having effect as if given, under section 20(1) of this Act by the Corporation which is effective on the transfer date shall have effect as if given by the successor company.
- (2) A direction given, or having effect as if given, under section 20(4) of this Act to the Corporation which is effective on the transfer date shall have effect as if given to the successor company.

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- 23 A direction given, or having effect as if given, under section 21(1) this Act to the Corporation which is effective on the transfer date shall have effect as if given to the successor company.
- 24 Any office fixed or address published by the Corporation for the purposes of section 46(3) of this Act, and any office or address having effect as if so fixed or published, shall be deemed on and after the transfer date to have been so fixed or published by the successor company.
- 25 A direction given under section 63 of this Act to the Corporation which is effective on the transfer date shall have effect as if given to the successor company.
- 26 A compulsory purchase order made by the Corporation which was made, or has effect as if made, by virtue of Schedule 3 to this Act and is effective on the transfer date shall have effect as if made by the successor company.
- 27 (1) Where immediately before the transfer date there is in force an agreement which—
- (a) confers or imposes on the Corporation any rights or liabilities which vest in the successor company by virtue of section 49 of this Act; and
 - (b) refers (in whatever terms and whether expressly or by implication) to a member or officer of the Corporation,
- the agreement shall have effect, in relation to anything falling to be done on or after that date, as if for that reference there were substituted a reference to such person as that company may appoint or, in default of appointment, to the officer of that company who corresponds as nearly as may be to the member or officer of the Corporation in question.
- (2) References in this paragraph to an agreement include references to a deed, bond or other instrument.
- 28 (1) Any agreement made, transaction effected or other thing done by, to or in relation to the Corporation which is in force or effective immediately before the transfer date shall have effect as if made, effected or done by, to or in relation to the successor company, in all respects, as if the successor company were the same person, in law, as the Corporation, and accordingly references to the Corporation—
- (a) in any agreement (whether or not in writing) and in any deed, bond or instrument;
 - (b) in any process or other document issued, prepared or employed for the purposes of any proceeding before any court or other tribunal or authority; and
 - (c) in any other document whatsoever (other than an enactment) relating to or affecting any property, right or liability of the Corporation which vests by virtue of section 49 of this Act in the successor company,
- shall be taken as referring to the successor company.
- (2) Nothing in sub-paragraph (1) above shall be taken as applying in relation to any agreement made, transaction effected or other thing done with respect to any right or liability of the Corporation which vests by virtue of section 50 of this Act in the Treasury.
- 29 It is hereby declared for the avoidance of doubt that—
- (a) the effect of section 49 of this Act in relation to any contract of employment with the Corporation in force immediately before the transfer date is merely to modify the contract by substituting the successor company as the employer (and not to terminate the contract or vary it in any other way); and

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- (b) that section is effective to vest the rights and liabilities of the Corporation under any agreement or arrangement for the payment of pensions, allowances or gratuities in the successor company along with all other rights and liabilities of the Corporation;
- and accordingly any period of employment with the Corporation or a wholly owned subsidiary of the Corporation shall count for all purposes as a period of employment with the successor company or (as the case may be) a wholly owned subsidiary of the successor company.
- 30 (1) Any certificate issued or other thing done in pursuance of any regulation made or having effect as if made under section 21 of the 1972 Act which is in force or effective immediately before the transfer date shall have effect as if issued or done in pursuance of the corresponding enactment, regulation or rule relating to securities issued under the ^{M64}National Loans Act 1968.
- (2) Any agreement made, transaction effected or other thing done in relation to any British Gas 3% Guaranteed Stock, 1990-95 which is in force or effective immediately before the transfer date shall have effect as if made, effected or done in relation to that Stock as renamed under subsection (3) of that section and, accordingly, references to that Stock in any agreement (whether or not in writing) or in any deed, bond, instrument or other document whatsoever shall be taken as referring to that Stock as so renamed.
- (3) In this paragraph “British Gas Stock” has the same meaning as in section 50 of this Act.

Marginal Citations

M64 1968 c. 13.

- 31 (1) It shall be the duty of the Corporation and of the successor company to take, as and when during the transitional period the successor company considers appropriate, all such steps as may be requisite to secure that the vesting in the successor company by virtue of section 49 of this Act or this paragraph of any foreign property, right or liability is effective under the relevant foreign law.
- (2) During the transitional period, until the vesting in the successor company by virtue of section 49 of this Act or this paragraph of any foreign property, right or liability is effective under the relevant foreign law, it shall be the duty of the Corporation to hold that property or right for the benefit of, or to discharge that liability on behalf of, the successor company.
- (3) Nothing in sub-paragraphs (1) and (2) above shall be taken as prejudicing the effect under the law of the United Kingdom or of any part of the United Kingdom of the vesting in the successor company by virtue of section 49 of this Act or this paragraph of any foreign property, right or liability.
- (4) The Corporation shall have all such powers as may be requisite for the performance of its duty under this paragraph, but—
- (a) it shall be the duty of the successor company during the transitional period to act on behalf of the Corporation (so far as possible) in performing the duty imposed on the Corporation by this paragraph; and

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- (b) any foreign property, rights and liabilities acquired or incurred by the Corporation during that period shall immediately become property, rights and liabilities of the successor company.
- (5) References in this paragraph to any foreign property, right or liability are references to any property, right or liability as respects which any issue arising in any proceedings would have been determined (in accordance with the rules of private international law) by reference to the law of a country or territory outside the United Kingdom.
- (6) Any expenses incurred by the Corporation under this paragraph shall be met by the successor company.
- 32 (1) Notwithstanding the repeal by this Act of section 8 of the 1972 Act, it shall be the duty of the Corporation to make a report to the Secretary of State in accordance with that section in respect of each financial year of the Corporation ending before the transfer date.
- (2) Notwithstanding the repeal by this Act of section 23 of that Act, it shall be the duty of the Corporation to prepare statements of accounts in accordance with subsection (1) (b) and (2) of that section in respect of each financial year of the Corporation ending before the transfer date, and that section shall continue to apply during the transitional period in relation to those statements and in relation also to the auditing of those statements and of accounts kept in accordance with subsection (1)(a) of that section in respect of that financial year.
- (3) Any expenses incurred by the Corporation under this paragraph shall be met by the successor company.
- 33 Where by virtue of anything done before the transfer date, any enactment amended by Schedule 7 to this Act has effect in relation to the Corporation, that enactment shall have effect in relation to the successor company as if that company were the same person, in law, as the Corporation.
- 34 Every provision contained in a local Act, or in subordinate legislation, which is in force immediately before the transfer date and then applicable to the Corporation shall have effect as if—
- (a) for references therein to the Corporation there were substituted references to the successor company; and
- (b) for any reference (however worded and whether expressly or by implication) to the undertaking or business, or any part of the undertaking or business, of the Corporation there were substituted a reference to the undertaking or business, or the corresponding part of the undertaking or business, of the successor company.
- 35 (1) Nothing in this Act shall effect the validity of anything done by, or in relation to, the Corporation before the transfer date under or by virtue of the ^{M65}Public Utilities Street Works Act 1950; and anything which, immediately before that date, is in process of being done under, or by virtue of, that Act by or in relation to it (including, in particular, any legal proceedings to which it is a party) may be continued by, or in relation to, the successor company.
- (2) Any notice or direction given or other thing whatsoever done under the said Act of 1950 by the Corporation shall, if effective at the transfer date, continue in force and have effect as if similarly given or done by the successor company.

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Marginal Citations

M65 1950 c. 39.

- 36 (1) For the purposes of section 33 of the ^{M66}General Rate Act 1967 (public gas suppliers) the successor company shall be treated as if it were the same person as the Corporation.
- (2) An order under subsection (1) of that section which applies that section to the Corporation and is effective on the transfer date shall have effect as if it applied that section to the successor company.
- (3) An order under subsection (5) of that section which applies in relation to hereditaments occupied by the Corporation and is effective on the transfer date shall have effect as if it applied to the corresponding hereditaments occupied by the successor company.

Marginal Citations

M66 1967 c. 9.

- 37 (1) Where an asset, or the right to receive an asset, vests in the successor company by virtue of section 49 of this Act, then for the purposes of Part I of the ^{M67}Industry Act 1972 and Part II of the ^{M68}Industrial Development Act 1982—
- (a) so much of any expenditure incurred by the Corporation in providing that asset as is approved capital expenditure (of any description relevant for the purposes of regional development grant) in respect of which no payment of regional development grant has been made to the Corporation shall be treated as having been incurred by the successor company and not by the Corporation; and
- (b) where the asset itself vests in the successor company by virtue of section 49 of this Act, it shall be treated as a new asset if it would have fallen to be so treated if it had remained vested in the Corporation.
- (2) In this paragraph “regional development grant” means a grant under Part I of the Industry Act 1972 or Part II of the Industrial Development Act 1982 and “approved capital expenditure” has the same meaning as it has for the purposes of the provisions relating to regional development grant.

Marginal Citations

M67 1972 c. 63.

M68 1982 c. 52.

- 38 An order under section 19 of the ^{M69}Local Government Act 1974 (rating of certain public utilities and other bodies) which applies in relation to hereditaments occupied by the Corporation and is effective on the transfer date shall have effect as if it applied to the corresponding hereditaments occupied by the successor company.

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Marginal Citations

M69 1974 c. 7.

- 39 An order under section 6 of the ^{M70}Local Government (Scotland) Act 1975 (valuation by formula of certain lands and heritages) which applies in relation to lands and heritages occupied by the Corporation and is effective on the transfer date shall have effect as if it applied in relation to the corresponding lands and heritages occupied by the successor company.

Marginal Citations

M70 1975 c. 30.

- 40 The repeal by this Act of section 10 of and Schedule 1 to the ^{M71}Oil and Gas (Enterprise) Act 1982 shall not affect the operation of any scheme made under that section before the transfer date.

Marginal Citations

M71 1982 c. 23.

- 41 (1) Where a distribution is proposed to be declared during the accounting reference period of the successor company which includes the transfer date or before any accounts are laid or filed in respect of that period, sections 270 to 276 of the ^{M72}Companies Act 1985 (accounts relevant for determining whether a distribution may be made by a company) shall have effect as if—
- (a) references in section 270 to the company's accounts or to accounts relevant under that section; and
 - (b) references in section 273 to initial accounts,
- included references to such accounts as, on the assumptions stated in subparagraph (2) below, would have been prepared under section 227 of that Act in respect of the relevant year.
- (2) The said assumptions are—
- (a) that the relevant year had been a financial year of the successor company;
 - (b) that the vesting effected by section 49 of this Act had been a vesting of all the property, rights and liabilities (other than any rights or liabilities which vest in the Treasury by virtue of section 50 of this Act) to which the Corporation was entitled or subject immediately before the beginning of the relevant year and had been effected immediately after the beginning of that year;
 - (c) after the value of any asset and the amount of any liability of the Corporation vested in the successor company by virtue of that section had been the value or (as the case may be) the amount assigned to that asset or liability for the purposes of that statement of accounts prepared by the Corporation in respect of the financial year immediately preceding the relevant year;
 - (d) that any securities of the successor company issued or allotted before the declaration of the distribution had been issued or allotted before the end of the relevant year; and

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(e) such other assumptions (if any) as may appear to the directors of the successor company to be necessary or expedient for the purposes of this paragraph.

(3) For the purposes of the said accounts the amount to be included in respect of any item shall be determined as if anything done by the Corporation (whether by way of acquiring, revaluing or disposing of any asset or incurring, revaluing or discharging any liability, or by carrying any amount to any provision or reserve, or otherwise) had been done by the successor company.

Accordingly (but without prejudice to the generality of the preceding provision) the amount to be included in any reserves of the successor company as representing its accumulated realised profits shall be determined as if any profits realised and retained by the Corporation had been realised and retained by the successor company.

(4) The said accounts shall not be regarded as statutory accounts for the purposes of section 55 of this Act.

(5) In this paragraph—

“complete financial year” means a financial year ending with 31st March;

“the relevant year” means the last complete financial year of the Corporation ending before the transfer date;

“securities” has the same meaning as in Part II of this Act.

Marginal Citations

M72 1985 c. 6.

SCHEDULE 9

Section 67(4).

REPEALS

PART I

REPEALS COMING INTO FORCE ON APPOINTED DAY

Chapter	Short title	Extent of repeal
15 & 16 Geo. 5. c. 71.	The Public Health Act 1925.	In section 7(3), the word “gas”.
17 & 18 Geo. 5. c. 36.	The Landlord and Tenant Act 1927.	In section 25(1) in the definition of “statutory company”, the word “gas,”.
23 & 24 Geo. 5. c. 14.	The London Passenger Transport Act 1933.	In section 93(6), the words “gas or”.
26 Geo. 5. & 1 Edw. 8. c. 49.	The Public Health Act 1936.	In section 343 in the definition of “statutory

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		undertakers”, the word “gas,”.
2 & 3 Geo. 6. c. 31.	The Civil Defence Act 1939.	In section 90(1) in the definition of “Public utility undertakers”, the word “gas,” where it first occurs and the words “gas or” immediately after “supplying”.
2 & 3 Geo. 6. c. xcix.	The London Gas Undertakings (Regulations) Act 1939.	The whole Act.
8 & 9 Geo. 6. c. 42.	The Water Act 1945.	In section 1(1) of Schedule 3 in the definition of “statutory undertakers”, the word “gas,”.
10 & 11 Geo. 6. c. 42.	The Acquisition of Land (Authorisation Procedure) (Scotland) Act 1947.	In section 7(1) in the definition of “statutory undertakers”, the word “gas,”.
11 & 12 Geo. 6. c. 22.	The Water Act 1948.	In section 15(1) in the definition of “appropriate Minister” in paragraph (b), the word “, gas” and, in the definition of “statutory undertakers”, the word “gas,”.
2 & 3 Eliz. 2. c. 21.	The Rights of Entry (Gas and Electricity Boards) Act 1954.	In section 3(1), the definition of “the Corporation”.
6 & 7 Eliz. 2. c. 69.	The Opencast Coal Act 1958.	In section 51(1) in the definition of “appropriate Minister”, the word “, gas”.
10 & 11 Eliz. 2. c. 58.	The Pipe-lines Act 1962.	In section 66(1) in the definition of “statutory undertakers”, the word “gas,”.
1964 c. 40.	The Harbours Act 1964.	In paragraph 6(2)(c) of Schedule 3, the word “gas,”.
1965 c. 36.	The Gas Act 1965.	In section 4(2), the words from “shall relate” to “statutory corporation and”.
		In section 28(1), the definition of “the Corporation” and, in the definition of “statutory undertakers”, the word “gas,”.

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1967 c. 9.	The General Rate Act 1967.	In section 19(6) in the definition of “non-industrial building”, the word “gas,”.
1967 c. 10.	The Forestry Act 1967.	In section 40(2)(d), the word “gas,”.
1968 c. 16.	The New Towns (Scotland) Act 1968.	In section 47(1) in the definition of “statutory undertakers”, the word “gas,”.
1971 c. 78.	The Town and Country Planning Act 1971.	In section 224(1)(b), the word “, gas”. In section 290(1) in the definition of “statutory undertakers”, the word “, gas”.
1972 c. 52.	The Town and Country Planning (Scotland) Act 1972.	In section 213(1)(b), the words “gas or”. In section 275(1) in the definition of “statutory undertakers”, the word “gas”
1972 c. 60.	The Gas Act 1972.	Section 1(6). Section 2(1). Section 6(5). Sections 9 to 13. Part III. Section 34. Sections 37 to 47. In section 48(1), the definitions of “Area Board”, “calorific value”, “declared calorific value”, “distribution main”, “gas”, “gas fittings”, “the National Council”, “Regional Council” and “therm”. Section 49. Schedules 1 to 8.
1974 c. 40.	The Control of Pollution Act 1974.	In section 73(1) in the definition of “statutory undertakers”, the word “gas,”.
1975 c. 24.	The House of Commons Disqualification Act 1975.	In Schedule 1, in Part III, the entry relating to

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		the Chairman in receipt of remuneration of the National Gas Consumers' Council or any Regional Gas Consumers' Council.
1975 c. 30.	The Local Government (Scotland) Act 1975.	In Schedule 1, paragraph 3A(2).
1975 c. 55.	The Statutory Corporations (Financial Provisions) Act 1975.	Section 6(2).
		In Schedule 3, Part II.
1975 c. 70.	The Welsh Development Agency Act 1975.	In section 27(1) in the definition of "statutory undertakers", the word "gas,".
1976 c. 75.	The Development of Rural Wales Act 1976.	In section 34(1) in the definition of "statutory undertakers", the word "gas,".
		In column (1) of the table to paragraph 56(3) of Schedule 3, the word " , gas".
1976 c. 76.	The Energy Act 1976.	In section 18(3), the words "or the British Gas Corporation".
1979 c. 46.	The Ancient Monuments and Archaeological Areas Act 1979.	In section 61(2)(a), the word "gas,".
1980 c. 37.	The Gas Act 1980.	The whole Act.
1980 c. 65.	The Local Government Planning and Land Act 1980.	In section 108(1)(a), the word "gas,".
		In section 120(3) in the definition of "statutory undertakers", the word "gas,".
		In section 170(1)(a), the word "gas,".
		In Schedule 16 in the definition of "statutory undertakers", the word "gas,".
		In paragraph 2 of Schedule 19, the word "gas,".
1980 c. 66.	The Highways Act 1980.	In section 121(6)(a), the word "gas,".

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		In section 157(9), the word “gas,”.
		In section 329(1), the definition of “gas undertakers”.
		In section 329(1) in the definition of “statutory undertakers”, the word “gas,”.
1981 c. 64.	The New Towns Act 1981.	In section 78(1)(b), the word “, gas”.
		In section 79(1)(a)(iii), the word “gas,”.
1981 c. 67.	The Acquisition of Land Act 1981.	In section 8(1)(a)(iii), the word “gas,”.
1982 c. 16.	The Civil Aviation Act 1982.	In section 105(1) in the definition of “statutory undertakers”, the word “, gas”.
1982 c. 23.	The Oil and Gas (Enterprise) Act 1982.	Sections 12 to 17. In section 32(1), the words “regulations or”.
		In Schedule 3, paragraphs 5, 6 and 12 to 20.
1982 c. 30.	The Local Government (Miscellaneous Provisions) Act 1982.	In section 30(1)(b), the words “gas or”.
1984 c. 12.	The Telecommunications Act 1984.	In paragraph 23(10)(a)(ii) of Schedule 2, the words “gas or”.
1984 c. 54.	The Roads (Scotland) Act 1984.	In Schedule 9, paragraph 71.
1984 c. 55.	The Building Act 1984.	In section 126 in the definition of “statutory undertakers”, the word “gas,”.

PART II

REPEALS COMING INTO FORCE ON TRANSFER DATE

Chapter	Short title	Extent of repeal
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Status: Point in time view as at 21/03/2012.

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1970 c. 10.	The Income and Corporation Taxes Act 1970.	In section 350, subsections (1) and (2).
1972 c. 60.	The Gas Act 1972.	Section 1(3). In section 2, subsections (2) and (3). Sections 3 to 5. In section 6, subsections (1) to (4) and (6) to (8). Sections 7 and 8. Part II. Sections 32 and 33. Sections 35 and 36. Section 48 (so far as unrepealed). Section 50.
1979 c. 14.	The Capital Gains Tax Act 1979.	In Schedule 2, in Part I, in paragraph 1(b), the words “and the Gas Act 1972”.
1980 c. 63.	The Overseas Development and Co-operation Act 1980.	In Schedule 1, in Part III, the entry relating to the British Gas Corporation.
1982 c. 23.	The Oil and Gas (Enterprise) Act 1982.	Sections 9 to 11. In section 32, in subsection (1), the words “and the power conferred by section 11(1) above to give directions”, in subsection (2), the words from “an order” to “section 11(1) above”, and subsection (3). Sections 33 and 34. In section 36, the definitions of “the 1972 Act” and “the Gas Corporation”. Schedule 1.
1982 c. 39.	The Finance Act 1982.	Section 147.
1982 c. 41.	The Stock Transfer Act 1982.	Section 1(3)(d).
1983 c. 29.	The Miscellaneous Financial Provisions Act 1983.	In Schedule 2, the entry relating to the Gas Act 1972.
1985 c. 62.	The Oil and Pipelines Act 1985.	Section 7(2).

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PART III

REPEALS COMING INTO FORCE ON DISSOLUTION OF BRITISH GAS CORPORATION

Chapter	Short title	Extent of repeal
1972 c. 60.	The Gas Act 1972.	In section 1, subsections (1), (2), (4) and (5).
1975 c. 24.	The House of Commons Disqualification Act 1975.	In Schedule 1, in Part II, the entry relating to the British Gas Corporation.
1983 c. 44.	The National Audit Act 1983.	In Schedule 4, the entry relating to the British Gas Corporation.

Status:

Point in time view as at 21/03/2012.

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