



Utilities Act 2000

2000 CHAPTER 27

PART V

AMENDMENT OF THE GAS ACT 1986

Gas licensing

74 Gas licence conditions

(1) Section 7B of the 1986 Act (general provisions about licences) is amended as follows.

(2) After subsection (2) there is inserted—

“(2A) Where the Authority proposes to refuse the application, it shall give to the applicant 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and shall consider any representations which are duly made and not withdrawn.”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) In subsection (4)—

- (a) in paragraph (a) for “section 4 or 4A above” there is substituted “sections 4AA, 4AB and 4A”; and
- (b) paragraph (b) (which is superseded by provision made in section 4AA) is omitted.

(4) After subsection (4) there is inserted—

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

- (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

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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) In subsection (5)(a)(iii) for “specified or described” there is substituted “referred to”.

(6) In subsection (6) the words “specified or described in the licence” shall cease to have effect.

(7) After subsection (10) there is inserted—

“(11) In this section “prescribed” means prescribed in regulations made by the Authority.”

75 Exceptions from section 5 of 1986 Act

Section 5(2) of and Schedule 2A to the 1986 Act shall cease to have effect.

76 Gas transporters

(1) The authorised areas of persons holding gas transportation licences under section 7 of the 1986 Act (licensing of public gas transporters) shall cease to be exclusive and, accordingly, section 7 is amended as follows.

(2) In subsection (1), for “public gas transporter” (the expression defined in that subsection) there is substituted “gas transporter”.

(3) In paragraph (a) of subsection (2), for the words from “so much of” to the “and” preceding paragraph (b), there is substituted “any area specified in the licence as it has effect for the time being;”.

(4) After subsection (4) there is inserted—

“(4A) The Authority may, with the consent of the licence holder, direct that any licence under 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) In subsections (5) and (6) the words “or extension”, in each place where they appear and, in subsection (5), the words “or, in the case of an extension, such shorter time as may be prescribed” shall cease to have effect.

(6) Subsections (7) and (8) shall cease to have effect.

(7) References in any enactment in force immediately before the commencement of this section to a public gas transporter or to the holder of a licence under section 7 of the 1986 Act shall have effect after that commencement as if they were references to a gas transporter.

77 Restriction on use of certain pipe-lines for providing a supply of gas

- (1) After section 10 of the 1986 Act (duty of gas transporters to make a connection in certain circumstances) there is inserted—

“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 Pipe-lines Act 1962.”.
- (2) In section 28(8) of the 1986 Act (definition of “relevant requirement”) after “or (14)” there is inserted “10A(1).”.

78 Construction of pipe-lines by gas transporters

- (1) Section 22A of the 1986 Act (prohibition on execution of works for the construction of pipe-lines) is amended as follows.
- (2) In subsection (1)—
- (a) for the words “A public gas transporter shall not at any time execute in an authorised area of another public gas transporter” there is substituted “A gas transporter shall not at any time execute within 23 metres from a pipe-line of another gas transporter (the “other transporter”)”;
 - (b) in paragraph (b), the words “in that area” (in both places where they appear) shall cease to have effect;
 - (c) after paragraph (c) there is inserted “; 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.”.
- (3) After subsection (1) there is inserted—
- “(1A) Subsection (1) does not apply if the proposed pipe-line is required to enable a gas transporter to comply with any duty imposed by section 10(2).

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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.”

- (4) In subsection (3), after the definition of “pipe-line” there is inserted “; “relevant main” has the meaning given by section 10(12).”

79 Duty to facilitate competition

(1) Section 9 of the 1986 Act (general powers and duties of gas transporters) is amended as follows.

(2) In subsection (1)(b)—

- (a) after “him” there is inserted “—
 - (i);
 - and
- (b) after “premises” there is inserted “; or
 - (ii) to connect to that system a pipe-line system operated by an authorised transporter.”

(3) After subsection (1) there is inserted—

“(1A) It shall also be the duty of a gas transporter to facilitate competition in the supply of gas.”

(4) In subsection (2)(a), after “premises” there is inserted “, or a pipe-line system operated by an authorised transporter,”.

80 Gas transporters' duty to make a connection

(1) Section 10 of the 1986 Act (duty of gas transporters to make a connection in certain circumstances) is amended as follows.

(2) After subsection (3) there is inserted—

“(3A) A gas transporter may require any person who requires a connection under 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.”

- (3) After subsection (5) there is inserted—

“(5A) Where in pursuance of subsection (2)(b) a gas transporter connects any premises to a 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.”

- (4) In subsection (6)(b) after “rights” there is inserted “or liabilities”.
- (5) In the words following subsection (6)(b), for “or rights” there is substituted “, rights or liabilities”.
- (6) In subsection (12) for “his authorised area” there is substituted “an authorised area of his”.

81 Standard conditions of gas licences

- (1) The standard conditions for the purposes of gas licences of any type (that is to say, licences under section 7, section 7A(1) or section 7A(2) of the 1986 Act) may contain provision—
 - (a) for any standard condition included in a licence of that type not to have effect until brought into operation in such manner and in such circumstances as may be specified in or determined under the standard conditions;
 - (b) for the effect of any standard condition included in such a licence to be suspended in such manner, and in such circumstances, as may be so specified or determined; or
 - (c) for any standard condition included in such a licence which is for the time being suspended to be brought back into operation in such manner and in such circumstances as may be so specified or determined.
- (2) Such conditions as may be determined by the Secretary of State before the commencement of subsection (3), and published by him in such manner as he considers appropriate, in relation to gas licences of any type shall, subject to such modifications of the conditions made under Part I of the 1986 Act after the determination under this subsection, be standard conditions for the purposes of licences of that type (in place of the standard conditions which would otherwise be incorporated in licences of that type granted immediately before that commencement).
- (3) In section 8(1) of the 1986 Act (standard conditions of licences to be incorporated in gas licences)—
 - (a) the words “and sections 23(2), 26(1A) and 27(2) below” shall be omitted; and
 - (b) for “section 8(2) of the Gas Act 1995” there is substituted “section 81(2) of the Utilities Act 2000”.

82 Modification of standard conditions of gas licences

- (1) In section 8(7) of the 1986 Act (standard conditions of licences to be incorporated in gas licences)—
 - (a) after “such that” there is inserted—

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- “(a) the licence holder would not be unduly disadvantaged in competing with other holders of a licence under that subsection; and
(b)”;
and
(b) after “the holder of the licence” there is inserted “being modified”.
- (2) In section 23 of the 1986 Act (modification of conditions by agreement), for subsection (6) there is substituted—
- “(6) The Authority shall not make any modifications under subsection (1)(a) unless the licence holder has consented to the modifications and, in the case of standard conditions of a licence under subsection (1) or (2) of section 7A, the Authority is of the opinion that the modifications—
- (a) are requisite to meet the circumstances of the particular case; and
(b) are such that—
- (i) the licence holder would not be unduly disadvantaged in competing with other holders of licences under that subsection; and
(ii) 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 being modified).
- (6A) The modification under subsection (1)(a) of part of a standard condition of a licence shall not prevent any other part of the condition from continuing to be regarded as a standard condition for the purposes of this Part.”
- (3) For subsections (7) to (9) of that section there is substituted—
- “(7) The Authority may not under subsection (1)(b) make any modifications of the standard conditions of any licences unless—
- (a) no notice of objection to those modifications is given to the Authority within the time specified in the notice under subsection (3) by any relevant licence holder;
(b) if one or more relevant licence holders give notice of objection to the Authority within that time—
- (i) the proportion (expressed as a percentage) of the relevant licence holders who have given notice of objection is less than such percentage as may be prescribed; and
(ii) the percentage given by subsection (8) is less than such percentage as may be prescribed; or
(c) subsection (10) applies to the case.
- (8) The percentage given by this subsection is the proportion (expressed as a percentage) of the relevant licence holders who have given notice of objection, weighted according to their market share in such manner as may be prescribed.”
- (4) For subsection (12) of that section there is substituted—
- “(12) In this section—
“prescribed” means prescribed by order made by the Secretary of State;

“relevant licence holder”, in relation to proposed modifications under subsection (1)(b) of standard conditions of licences of any type, means the holder of a licence of that type which-

- (a) is to be modified under the proposals by the inclusion of any new standard condition; or
- (b) includes any standard conditions to which the proposals relate, other than standard conditions which are not in effect (by virtue of anything done under section 81(1) of the Utilities Act 2000) at the time specified in the notice under subsection (3).

(13) A statutory instrument containing an order under this section shall not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.”

83 Modification following Competition Commission report

(1) In section 24(5) of the 1986 Act (modification references to the Competition Commission), after “this section” there is inserted “or in carrying out functions under section 26A”, after “the investigation” there is inserted “or the carrying out of those functions” and after “such investigation” there is inserted “or such functions”.

(2) In section 26 of that Act (modification of licence conditions following report of Competition Commission) after subsection (4) there is inserted—

“(4A) After considering any representations or objections made in response to proposals set out in a notice under subsection (3), the Authority shall give notice to the Competition Commission—

- (a) setting out the modifications it proposes to make to remedy or prevent the adverse effects specified in the report; and
- (b) stating the reasons for making the modifications.

(4B) The Authority shall include with the notice under subsection (4A) a copy of any representations or objections received in relation to the notice under subsection (3).

(4C) If the period of four weeks from the date on which the notice under subsection (4A) is given elapses without a direction under section 26A(1)(a) having been given to it, the Authority shall—

- (a) make the modifications set out in the notice; or
- (b) if a direction under section 26A(1)(b) has been given, make the modifications which are not specified in the direction.”

(3) After subsection (5) of that section there is inserted—

“(6) The modification under subsection (1) 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.”

(4) After section 26 of that Act there is inserted—

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“26A Competition Commission’s power to veto modifications following report

- (1) The Competition Commission (in this section referred to as “the Commission”) may, within the period of four weeks after the date on which it is given a notice under section 26(4A), direct the Authority—
 - (a) not to make the modifications set out in that notice; or
 - (b) not to make such of the modifications as may be specified in the direction;and the Authority shall comply with any such direction.
- (2) The Secretary of State may, within the period of four weeks after the date on which the Commission is given a notice under section 26(4A) and on the application of the Commission, direct that the period for giving a direction under subsection (1) (and, accordingly, the period mentioned in section 26(4C)) shall be extended by 14 days.
- (3) The power to give a direction under subsection (1) may only be exercised in respect of such of the modifications set out in the notice under section 26(4A) (a) as appear to the Commission not to be the modifications which are requisite for the purpose of remedying or preventing all or any of the adverse effects specified in the report as effects which could be remedied or prevented by modifications.
- (4) If the Commission gives a direction under subsection (1), the Commission—
 - (a) shall give notice setting out the modifications proposed by the Authority, the terms of the direction and the reasons for giving it; and
 - (b) shall itself make such modifications of the relevant conditions as appear to it to be requisite for the purpose of remedying or preventing—
 - (i) if the direction was given under subsection (1)(a), the adverse effects specified in the report as effects which could be remedied or prevented by modifications;
 - (ii) if the direction was given under subsection (1)(b), such of those adverse effects as are not remedied or prevented by the modifications made by the Authority under section 26(4C) (b).
- (5) In exercising its function under subsection (4)(b) the Commission shall have regard to the matters to which the Authority is required to have regard when determining the conditions of a licence.
- (6) Before making modifications under subsection (4)(b) the Commission shall give notice—
 - (a) stating that it proposes to make the modifications and setting them out;
 - (b) stating the reason why it proposes to make them;
 - (c) specifying the period (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,

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

- (7) A notice under subsection (4)(a) or (6) shall be given—
- (a) by publishing the notice in such manner as the Commission considers appropriate for the purpose of bringing it to the attention of persons likely to be affected by the making of the modifications; and
 - (b) by serving a copy on the Authority and the holder of the licence in question or, as the case may be, the relevant licence holders.
- (8) After making modifications under this section the Commission shall publish a notice stating that the modifications have been made and setting them out, with the reasons for making them.
- (9) Where, in consequence of a reference under section 24(1A), the Commission modifies under subsection (4)(b) the standard conditions of licences of any type (that is to say, licences under section 7 or section 7A(1) or 7A(2)) the Authority may make such incidental and consequential modifications as it considers necessary or expedient of any conditions of licences of that type granted before that time.
- (10) Where the Commission modifies the standard conditions of licences of any type as mentioned in subsection (9) the Authority—
- (a) shall 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) shall publish the modifications made for those purposes in such manner as it considers appropriate.
- (11) The modification under this section 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.
- (12) The provisions mentioned in subsection (13) are to apply in relation to the exercise by the Commission of its functions under this section as if—
- (a) in section 82(1) and (2) of the Fair Trading Act 1973 references to a report of the Commission under that Act were references to a notice under subsection (4)(a), (6) or (8) of this section;
 - (b) in section 85 of that Act references to an investigation on a reference made to the Commission were references to an investigation by the Commission for the purposes of the exercise of its functions under this section.
- (13) The provisions are—
- (a) section 82(1) and (2) of the Fair Trading Act 1973 (general provisions as to reports under that Act);
 - (b) section 85 of that Act (attendance of witnesses and production of documents);
 - (c) section 24 of the Competition Act 1980 (modification of provisions about the Competition Commission's general functions); and
 - (d) Part II of Schedule 7 to the Competition Act 1998 (the Competition Commission's general functions).

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- (14) This section does not apply to the modification of a licence following a report of the Commission made before the commencement of section 83(4) of the Utilities Act 2000.”
- (5) In section 27 of that Act (modification of licences by order under enactments other than the 1986 Act), after subsection (1) there is inserted—
- “(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.”

84 The gas code

- (1) Schedule 2B to the 1986 Act is amended as follows.
- (2) After paragraph 6 (meters for disabled persons) there is inserted—

“Use of pre-payment meters

6A A pre-payment meter installed by an authorised supplier on any premises shall not be used to recover any sum other than a sum owing to an authorised supplier in respect of the supply of gas to those premises or the provision of the meter.”

- (3) In paragraph 7 (recovery of gas charges etc.)—
- (a) in sub-paragraph (1)(a) for the words from “the consumer’s” to “him” there is substituted “any premises of his (in this paragraph referred to as “the premises”)”;
- (b) sub-paragraph (2) shall cease to have effect; and
- (c) in sub-paragraph (3) for paragraphs (a) and (b) there is substituted—
- “(a) install a pre-payment meter on the premises in place of the existing meter; or
- (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) In paragraph 23(2), for paragraph (c) there is substituted—
- “(c) 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).”

85 Transfer of gas licences

For section 8AA of the 1986 Act (assignment of gas licences) there is substituted—

“8AA Transfer of licences

- (1) A licence—

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- (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.
- (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.

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- (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—
- “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.”

86 Exemptions from gas licensing

- (1) In subsection (1) of section 6A of the 1986 Act (exemptions from prohibition) the words “, after consultation with the Director,” shall be omitted.
- (2) After subsection (1) of that section there is inserted—
- “(1A) Before making an order under subsection (1) the Secretary of State shall give notice—
- (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.”

(3) For subsections (2) and (3) of that section there is substituted—

“(2) Notice of an exemption granted to a person shall be given—

 - (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.

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- (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) For subsection (5) of that section there is substituted—
- “(5) The Secretary of State may by order revoke an order by which an exemption was 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
 - (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

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- (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.”

87 Reasons for decisions under 1986 Act

For section 38A of the 1986 Act (duty to consider representations and give reasons) there is substituted—

“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.
- (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.”

88 Altering activities requiring gas licence

After section 41B of the 1986 Act (which is inserted by section 98 below) there is inserted—

“Alteration of activities requiring licence

41C 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.
- (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;
 - (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.

Status: This is the original version (as it was originally enacted).

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—
 - (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.

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.

Status: This is the original version (as it was originally enacted).

- (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.
- (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 the Health and Safety Commission under section 4A (advice about health and safety in relation to gas).
- (7) The provisions mentioned in subsection (8) are to apply in relation to references under this section as if—
 - (a) the functions of the Commission in relation to those references were functions under the Fair Trading Act 1973;

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- (b) the expression “merger reference” included a reference under this section;
 - (c) in section 70 of the Fair Trading Act 1973—
 - (i) references to the Secretary of State were references to the Authority; and
 - (ii) the reference to three months were a reference to six months.
- (8) The provisions are—
- (a) sections 70 (time limit for report on merger), 85 (attendance of witnesses and production of documents) and 93B (false or misleading information) of the Fair Trading Act 1973;
 - (b) Part II of Schedule 7 to the Competition Act 1998 (performance of the Commission’s general functions); and
 - (c) section 24 of the Competition Act 1980 (modification of provisions about performance of such functions).

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.
- (4) Section 82 of the Fair Trading Act 1973 (general provisions as to reports) shall apply in relation to reports of the Commission on references under section 41E as it applies to reports of the Commission under that Act.
- (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.

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—
 - (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.

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.”