
EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends the Petroleum Act 1998 so as to implement articles 2.4(6), 2.7(1)(a) and 2.7(2) of the Framework Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Kingdom of Norway concerning cross-boundary petroleum co-operation signed at Oslo on 4th April 2005 (Command No. 6792) (“the Framework Agreement”).

Article 2 of the Order amends the Petroleum Act 1998 as set out in the Schedule to the Order.

Paragraph 1 of the Schedule amends section 17F of the Petroleum Act 1998 by providing that it shall not apply to pipelines to which section 17GA (which is inserted by the Order) applies. This is intended to give effect to article 2.4(6) of the Framework Agreement, which provides that third party access to certain pipelines shall be governed by the Norwegian regulated access system.

Paragraph 2 of the Schedule amends the Petroleum Act 1998 by inserting two new sections, 17GA and 17GB.

Subsection (1) of the new section 17GA provides that the section shall apply to certain pipelines (in effect, those which, under the Framework Agreement, are subject to the Norwegian legal system for determining third party access).

Subsection (2) of section 17GA provides that where there is a dispute about whether a pipeline owner has complied with the terms of an award of access to a third party made under the Norwegian system, the person who was awarded access under the Norwegian system may apply to the Secretary of State for a determination under subsection (6).

Subsections (3), (4) and (5) of section 17GA make further provision regarding how applications under section 17GA are to be made and conducted.

Subsections (6) and (7) of section 17GA require the Secretary of State to determine applications made under section 17GA, to notify the parties and to state what (if anything) the pipeline owner must do in order to comply with the terms of the award of access made under the Norwegian system.

Subsection (8) of section 17GA provides that where the Framework Agreement so requires, the Secretary of State must determine applications under section 17GA jointly with the Norwegian authorities. This subsection (in conjunction with subsections (2) to (7)) is intended to give effect to article 2.7(1)(a) and (2) of the Framework Agreement.

Section 17GB makes provision supplemental to section 17GA, regarding the provision of information relating to an application under section 17GA(2) by a party to it, and the subsequent disclosure of that information by the Secretary of State where an enactment or the Framework Agreement so requires.

Paragraph 3 of the Schedule amends section 17H of the Petroleum Act 1998 so as to provide for a person who is affected by a failure to comply with a determination of the Secretary of State under section 17GA(6) to claim damages in respect of resulting loss.

Paragraph 4 of the Schedule amends section 27(1A) of the Petroleum Act 1998 (which defines “owner” in relation to a pipeline) with the effect that, for the purposes of section 17GA(2)(a) an “owner” does not include a person who is defined as such in section 27(1A).

A full regulatory impact assessment has not been produced for this instrument as it has no impact on the costs of business.