



Gas Act 1986

1986 CHAPTER 44

PART I **U.K.**

GAS SUPPLY

Modifications etc. (not altering text)

- C1** 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 **U.K.**

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- F1** [S. 1](#) repealed (7.11.2000) by [2000 c. 27](#), [s. 108](#), **Sch. 8**; S.I. 2000/2974, [art. 2](#), **Sch.** (subject to transitional provisions in [arts. 3-12](#))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

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F2 S. 2 repealed (7.11.2000) by 2000 c. 27, s. 108, **Sch. 8**; S.I. 2000/2974, art. 2, **Sch.** (subject to transitional provisions in arts. 3-12)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

..... **E+W+S**

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F3 S. 3 repealed (1.10.2001) by 2000 c. 27, s. 108, **Sch. 8**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)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

- (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 consumers in relation to gas conveyed through pipes, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the shipping, transportation or supply of gas so conveyed.
- (2) The Secretary of State and the Authority shall carry out those functions in the manner which he or it considers is best calculated to further the principal objective, having 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 or the Utilities Act 2000.
- (3) In performing that duty, 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 (within the meaning of the ^{M1}Electricity Act 1989); and
 - (b) any interests of consumers in relation to—
 - [^{F5}(i) communications services and electronic communications apparatus, or]
 - (ii) water services or sewerage services (within the meaning of the ^{M2}Water Industry Act 1991),

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which are affected by the carrying out of that function.

- (5) Subject to subsection (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;
 - [^{F6}(ba) to contribute to the achievement of sustainable development; and]
 - (c) to secure a diverse and viable long-term energy supply,
- [^{F7}and (so far as not otherwise required to do so by this subsection) 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
- ^{F8}(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.]
- (6) In this section “consumers” includes 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 [^{F9}, 7ZA] or 7A and “licence holder” shall be construed accordingly.]

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** 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)
- F6** S. 4AA(5)(ba) substituted (5.10.2004) by Energy Act 2004 (c. 20), ss. 83(a), 198(2); S.I. 2004/2575, art. 2(1), Sch. 1
- F7** 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
- F8** 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
- F9** 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

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Modifications etc. (not altering text)

- C2** 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))
- C3** 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
- C4** 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.

[^{F10}4AB Guidance on social and environmental matters. **E+W+S**

- (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;
 - (b) the Gas and Electricity Consumer Council (in this Act referred to as “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.]

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Textual Amendments

F10 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)

Modifications etc. (not altering text)

C3 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

C5 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))

[^{F11}4A Health and safety. **E+W+S**

- (1) The Secretary of State and the Authority shall consult the Health and Safety Commission 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 the Health and Safety Commission 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

F11 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)

Modifications etc. (not altering text)

C3 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

C6 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))

[^{F12}4B Exceptions from sections 4AA to 4A. **E+W+S**

- (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).

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- (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 [^{F13}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 Community obligation or otherwise).]

Textual Amendments

F12 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)

F13 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.)

Modifications etc. (not altering text)

C3 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

C7 S. 4B(3) excluded (20.12.2000) by S.I. 2000/3343, art. 10(1)(b) (subject to transitional provisions in arts. 3-15)

[^{F14} Licensing of activities relating to gas]

Textual Amendments

F14 S. 5 and cross-heading preceding it substituted (1.3.1996) by 1995 c. 45, s. 3; S.I. 1996/218, art. 2

5 ^{F15}[Prohibition on unlicensed activities] **E+W+S**

- (1) Subject to section 6A below and Schedule 2A to this Act, a person who—
- conveys gas through pipes to any premises, or to a pipe-line system operated by a [^{F16}gas transporter];
 - supplies to any premises gas which has been conveyed to those premises through pipes; or
 - arranges with a [^{F16}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—
- on summary conviction to a fine not exceeding the statutory maximum;
 - 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.

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- (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.
- [^{F17}(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.
- (10) In this section “pipe-line system” includes the pipes and any associated apparatus comprised in that system.]

Textual Amendments

- F15** S. 5 and cross-heading substituted (1.3.1996) by 1995 c. 45, s. 3; S.I. 1996/218, art. 2
- F16** 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)
- F17** 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)

- C8** 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)
- C9** 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)
- C10** S. 5(1)(a) excluded (1.12.1996) by S.I. 1996/2795, arts. 3, 4
- C11** 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)
- C12** S. 5(1)(c) modified (8.11.1995) by 1995 c. 45, s. 17(1), Sch. 5 Pt. II paras. 18(1)

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F18⁶

E+W+S

Textual Amendments

F18 S. 6 repealed (1.3.1996) by 1995 c. 45, ss. 3(3), 17(5), **Sch. 6**; S.I. 1996/218, **art. 2**

[^{F19}6A Exemptions from prohibition. E+W+S

- (1) The Secretary of State may, ^{F20} . . . by order grant exemption from paragraph (a), (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.

- [Before making an order under subsection (1) the Secretary of State shall give notice—
- ^{F21}(1A) (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—
- ^{F22}(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—

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- (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
- ^{F23}(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
 - (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.]]

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Textual Amendments

- F19** S. 6A substituted (1.3.1996) by 1995 c. 45, s. 4; S.I. 1996/218, art. 2
- F20** 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)
- F21** 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)
- F22** 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)
- F23** 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)

Modifications etc. (not altering text)

- C13** S. 6A extended (8.11.1995 with effect as mentioned in Sch. 5 Pt. II paras. 16(1), 17(1) of the amending Act) by 1995 c. 45, s. 17(1), Sch. 5 Pt. II paras. 16(1)(b), 17(1)(b); S.I. 1996/218, art. 2

[^{F247} Licensing of public gas transporters. **E+W+S**

- (1) In this Part “[^{F25}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 subsection (3) 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, [^{F26}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 [^{F27}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 [^{F28}7ZA or] 7A below.
- (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 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;

Status: Point in time view as at 01/12/2004.

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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 ^{F29}(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 ^{F30} . . . under this section, the Director shall give notice—
- (a) stating that he proposes to grant the licence ^{F30} . . . ;
 - (b) stating the reasons why he proposes to grant the licence ^{F30} . . . ; and
 - (c) specifying the time from the date of publication of the notice (not being less than two months ^{F30} . . .) within which representations or objections with respect to the proposed licence ^{F30} . . . 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 ^{F30} . . . ; and
 - (b) by sending a copy of the notice to the Secretary of State, to the Health and Safety Executive and to any [^{F27}gas transporter] whose area includes the whole or any part of the area proposed to be specified in the licence ^{F30} . . .

^{F31}(7)

^{F31}(8)

(9) As soon as practicable after the granting of a licence under this section, the [^{F27}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—
- (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.

^{F32}(11)]

Textual Amendments

F24 S. 7 substituted (1.3.1996) by 1995 c. 45, s. 5; S.I. 1996/218, art. 2

Status: Point in time view as at 01/12/2004.

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- F25** 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)
- F26** 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)
- F27** 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)
- F28** 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
- F29** 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)
- F30** 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)
- F31** 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)
- F32** 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)

- C14** 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)
- C15** 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
- C16** 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

[^{F33}7ZA Licences for operation of gas interconnectors **E+W+S**

- (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

- F33** 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)

- C17** 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

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[^{F34}7A Licensing of gas suppliers and gas shippers. E+W+S

- (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 [^{F35}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 [^{F36}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.
- (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 [^{F35}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

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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

- F34** S. 7A inserted (1.3.1996) by 1995 c. 45, s. 6; S.I. 1996/218, art. 2
- F35** 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)
- F36** 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)

- C18** 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)
- C19** 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
- C20** 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)
- C21** 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

[^{F37}7B Licences: general. **E+W+S**

- (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

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- (b) in the case of an application for a licence or extension under section 7 above, give notice of the application to any [^{F38}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 ^{F39}(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 [^{F40}sections 4AA, 4AB and 4A];

^{F41}(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; ^{F42} . . .

^{F42}(d)

[Without prejudice to the generality of paragraph (a) of subsection (4), conditions ^{F43}(4A) 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 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 [^{F44}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—

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- (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 ^{F45}. . .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; ^{F46}. . .
 - (b) in the case of a licence [^{F47}, extension or restriction] under section 7 above, to any public gas transporter whose authorised area [^{F48}:includes] the whole or any part of the area specified in the licence [^{F47}, extension or restriction][^{F49}; and.
 - (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.]
- [^{F50}(11) In this section “prescribed” means prescribed in regulations made by the Authority.]

Textual Amendments

- F37** S. 7B inserted (1.3.1996) by 1995 c. 45, s. 7; S.I. 1996/218, art. 2
- F38** 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)
- F39** 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)
- F40** 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)
- F41** 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)
- F42** 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)

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- F43** 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)
- F44** 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)
- F45** 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)
- F46** 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)
- F47** 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)
- F48** 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)
- F49** 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)
- F50** 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)

- C22** S. 7B applied (with modifications) (1.3.1996) by S.I. 1996/399, art. 2(2)
- C23** 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
- C24** 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

[^{F518} Standard conditions of licences. E+W+S

- (1) Subject to subsections (2) and (3) ^{F52}. . ., each condition which by virtue of [^{F53}section 81(2) of the Utilities Act 2000] is a standard condition for the purposes of—
- licences under section 7 above;
 - licences under subsection (1) of section 7A above; or
 - 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 [^{F54}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—
- stating that he proposes to make the modifications and setting out their effect;
 - stating the reasons why he proposes to make the modifications; and

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- (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
- ^{F55}(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
 - (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
 - ^{F56}(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 [^{F56}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

- F51** S. 8 substituted (1.3.1996) by 1995 c. 45, s. 8(1); S.I. 1996/218, art. 2
- F52** 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)
- F53** 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)
- F54** 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)
- F55** 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

Status: Point in time view as at 01/12/2004.

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F56 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)

C25 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

[^{F57} **8AA Transfer of licences.** **E+W+S**

- (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.
- (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

Status: Point in time view as at 01/12/2004.

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- (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—
 - “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
F57 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)

[^{F58}8A Modification or removal of the 25,000 therm limits. E+W+S

- (1) The Secretary of State may by order amend [^{F59}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.

^{F60}(3)

^{F60}(4)]

Status: Point in time view as at 01/12/2004.

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Textual Amendments

- F58** 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.
- F59** 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](#)
- F60** 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](#)

[^{F61} The gas code]

Textual Amendments

- F61** [S. 8B](#) and cross-heading inserted (1.3.1996) by [1995 c. 45, s. 9](#); S.I. 1996/218, [art. 2](#)

8B [^{F62} The gas code.] **E+W+S**

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

- F62** [S. 8B](#) and cross-heading inserted (1.3.1996) by [1995 c. 45, s. 9\(1\)](#); S.I. 1996/218, [art. 2](#)

[^{F63} Powers and duties of public gas transporters]

Textual Amendments

- F63** Cross-heading substituted (1.3.1996) by [1995 c. 45, s. 10\(1\), Sch. 3 para. 3](#); S.I. 1996/218, [art. 2](#)

9 [^{F64} General powers and duties.] **E+W+S**

- (1) It shall be the duty of a [^{F65} 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 [^{F66}—
 - (i)]
to connect to that system, and convey gas by means of that system to, any premises [^{F67}; or.
 - (ii) to connect to that system a pipe-line system operated by an authorised transporter.]

[^{F68}(1A) It shall also be the duty of a gas transporter to facilitate competition in the supply of gas.]

Status: Point in time view as at 01/12/2004.

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- (2) It shall also be the duty of a [^{F65}gas transporter] to avoid any undue preference or undue discrimination—
- (a) in the connection of premises [^{F69}, 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 [^{F65}gas transporters]); and
 - (b) Schedule 4 to this Act (which relates to the breaking up of streets and bridges by such transporters).

Textual Amendments

- F64** S. 9 substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 3**; S.I. 1996/218, **art. 2**
- F65** Words in s. 9(1)(2)(3)(a) 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**)
- F66** 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**)
- F67** 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**)
- F68** 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**)
- F69** 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)

- C26** S. 9(1)(b) applied (with modifications) (1.3.1996) by S.I. 1996/399, **art. 3(1)**
- C27** 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**)

[^{F70}10 Duty to connect certain premises. **E+W+S**

- (1) Subsection (2) below applies to any premises in an authorised area of a [^{F71}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 [^{F71}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;

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and in the following provisions of this section “connect”, in relation to any premises, means connect to a relevant main of a [^{F71}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 [^{F71}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 ^{F72}(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 [^{F71}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 [^{F71}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 ^{F73}(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.]

- (6) Where at any time a [^{F71}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 [^{F74}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 [^{F75}, 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 [^{F71}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

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- (d) the transporter has not recovered those expenses in full.
- (8) Nothing in subsection (2) or (3) above shall be taken as requiring a [^{F71}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 [^{F71}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 [^{F71}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 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.

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- (12) Subject to subsection (13) below, in this section “relevant main”, in relation to a [^{F71}gas transporter], means any distribution main in [^{F76}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 [^{F71}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 [^{F71}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

- F70** S. 10 substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 4**; S.I. 1996/218, **art. 2**
- F71** Words in s. 10(1)-(10)(12)-(13) 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)
- F72** 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)
- F73** 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)
- F74** 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)
- F75** 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)
- F76** 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)

[^{F77}10A Restriction on use of certain pipe-lines for providing a supply. **E+W+S**

- (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.

Status: Point in time view as at 01/12/2004.

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- (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

F77 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.

[^{F78}11 Power to require security. **E+W+S**

- (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 [^{F79}gas transporter] in pursuance of that paragraph—
- 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
 - 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 [^{F79}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.]

Textual Amendments

F78 S. 11 substituted (1.3.1996) by 1995 c. 45, s. 10(1), Sch. 3 para. 5; S.I. 1996/218, art. 2

F79 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)

[^{F80} Gas conveyed by Public Gas Transporters]

Textual Amendments

F80 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

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12 [F81 Methods of calculating therms.] E+W+S

- (1) Except in prescribed cases, the number of therms or kilowatt hours conveyed by a [F82 gas transporter] to premises, or to pipe-line systems operated by other [F82 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 [F82 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 [F82 gas transporter], means a calorific value declared by the transporter in accordance with regulations under this section, or so declared by another [F82 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 [F82 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;
 - (d) for requiring such premises, apparatus and equipment as the Director may direct to be provided and maintained by [F82 gas transporters] for the purpose of making such determinations;
 - (e) for requiring [F82 gas 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.

Status: Point in time view as at 01/12/2004.

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- (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 [^{F82}gas 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 [^{F82}gas 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 [^{F82}gas 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 [^{F82}gas 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 [^{F82}gas 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

- F81** 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**
- F82** 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**)

[^{F83}13 **Calorific values: tests of apparatus etc.** **E+W+S**

- (1) The Director shall appoint competent and impartial persons—
- (a) to carry out tests of apparatus and equipment provided and maintained by [^{F84}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 [^{F84}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

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- 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 [F84 gas transporters] for the purpose of carrying out such tests;
- (c) for requiring samples of gas to be taken by [F84 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 [F84 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 [F84 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 [F84 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 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

F83 S. 13 substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 7**; S.I. 1996/218, **art. 2**

F84 Words in s. 13 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)

Status: Point in time view as at 01/12/2004.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 21 July 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)

^{F85}14 **E+W+S**

Textual Amendments

F85 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**

^{F86}14A **E+W+S**

Textual Amendments

F86 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**

^{F87}15 **E+W+S**

Textual Amendments

F87 S. 15 repealed (1.3.1996) by 1995 c. 45, ss. 9(3), 17(5), **Sch. 6**; S.I. 1996/218, **art. 2**

[^{F88}16 **Standards of gas quality.** **E+W+S**

- (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
 - (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.

Status: Point in time view as at 01/12/2004.

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- (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 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

F88 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)

Status: Point in time view as at 01/12/2004.

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F89 15B **E+W+S**

Textual Amendments

F89 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**

[^{F90} Gas conveyed by public gas transporters and others]

Textual Amendments

F90 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**

F91 16 **E+W+S**

Textual Amendments

F91 S. 16 repealed (1.4.1996) by S.I. 1996/551, **reg. 12(1)**

[^{F92} 17 Meter testing and stamping. E+W+S

- (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 a member of the Director's staff, 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 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;

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- (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 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 examiners.
- (8) All fees payable to meter examiners who are members of the Director's staff 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 with the consent of the Secretary of State, 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 members of the Director's staff 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 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

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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
F92 S. 17 substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 13**; S.I. 1996/218, **art. 2**

18 Safety regulations. E+W+S

^{F93}(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 [^{F94}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 [^{F94}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 [^{F95}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—

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- (a) reconnecting any gas fitting or [^{F96}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) [^{F97}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 [^{F98}conveyed] to any premises where in pursuance of the regulations the refusal of the relevant authority to [^{F99}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—
 - (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 [^{F100}any reference to a gas operator were a reference to the relevant authority].
- [^{F101}(9) In this section “the relevant authority”—
 - (a) in relation to dangers arising from the conveyance of gas by a [^{F102}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 [^{F102}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 [^{F102}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 [^{F102}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.]

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Textual Amendments

- F93** S. 18(1) repealed (6.3.1992) by [Offshore Safety Act 1992 \(c. 15\)](#), ss. 3(3)(a), 7(2), [Sch. 2](#).
- F94** 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](#).
- F95** 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](#).
- F96** 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](#).
- F97** 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](#).
- F98** 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](#).
- F99** 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](#).
- F100** 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](#).
- F101** 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](#).
- F102** Words in s. 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](#))

Marginal Citations

- M4** [1954 c. 21](#).

[^{F103}18A Gas escape regulations. **E+W+S**

- (1) The Secretary of State may by regulations make provision—
- (a) for empowering any officer authorised by a [^{F104}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;

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- (b) any reference to the relevant authority were a reference to a [^{F104}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 [^{F104}gas transporter] includes a reference to any officer authorised by another such transporter with whom 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

F103 S. 18A inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 15**; S.I. 1996/218, **art. 2**

F104 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.

[^{F105} Use by other persons of public gas transporter's pipe-line systems]

Textual Amendments

F105 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**

19 [^{F106} Acquisition of rights to use pipe-line systems.] **E+W+S**

- (1) In the case of a pipe-line system operated by a [^{F107}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

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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 [F107 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.
- (4) Directions under this section may—
- (a) specify the terms on which the Director considers the [F107 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 [F107 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 [F107 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.

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- (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

F106 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**

F107 Words in s. 19 substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 2(1)(2)**; S.I. 2001/3266, **art. 2, Sch.** (subject to transitional provisions in **arts. 3-20**)

Modifications etc. (not altering text)

C28 S. 19 applied (with modifications) (1.3.1996) by S.I. 1996/399, **art. 4(2)**

C29 S. 19(2)(c) applied (with modifications) (1.3.1996) by S.I. 1996/399, **art. 4(4)(c)**

[^{F108}19A Application of section 19B to storage facilities. E+W+S

- (1) Section 19B applies to [^{F109}a storage facility unless, or except to the extent that, its capacity is exempt under this section] .
- (2) [^{F110}A person who is or expects to be an owner] of a storage facility may apply in writing to the Director for an exemption [^{F111}with respect to the facility] .
- (3) An exemption shall be given in writing and may be given—
- so as to have effect for an indefinite period or for a period specified in, or determined under, the exemption;
 - unconditionally or subject to such conditions as the Director considers appropriate.
- [^{F112}(c) so as to have effect—
- in the case of a facility other than a new facility, in relation to the whole of the capacity of the facility; or
 - in the case of a new facility, in relation to the whole of the capacity of the facility or any significant increase in the capacity of the facility.]
- (4) An exemption may be revoked in accordance with its provisions and, in any event, may be revoked by giving a notice of revocation to the owner of the facility ^{F113}... concerned not less than four months before the coming into force of the revocation.
- [^{F114}(5) The Authority shall give an exemption with respect to a facility (other than a new facility) where it is satisfied that use of the facility by other persons is not necessary for the operation of an economically efficient gas market.
- (6) The Authority shall give an exemption with respect to a new facility where it is satisfied that either—
- use of the facility by other persons is not necessary for the operation of an economically efficient gas market; or
 - the requirements of subsection (8) are met.
- (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.

Status: Point in time view as at 01/12/2004.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 21 July 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)

- (8) The requirements of this subsection are that—
- (a) the facility or (as the case may be) the significant increase in its capacity 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 to provide for a significant increase in its capacity 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;
 - (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; and
 - (f) the Commission of the European Communities is or will be content with the exemption.
- (9) Subject to subsection (10), an exemption may not be given by virtue of subsection (6) (b) more than once in respect of the same facility.
- (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;
 - the exemption has effect only in relation to that increase in its capacity; and
 - no previous exemption has been given by virtue of subsection (6)(b) in relation to that increase in its capacity.
- (11) The Authority shall publish its decision to give or refuse to give an exemption together with the reasons for its decision in such manner as it considers appropriate.]]

Textual Amendments

- F108** Ss. 19A-19E inserted (10.8.2000) by S.I. 2000/1937, reg. 2(2), **Sch. 2 para. 1**
- F109** Words in s. 19A(1) substituted (26.8.2004) by [The Gas \(Third Party Access\) Regulations 2004](#) (S.I. 2004/2043), reg. 1, **Sch. 2 para. 1(a)**
- F110** 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)**
- F111** 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)**
- F112** S. 19A(3)(c) inserted (26.8.2004) by [The Gas \(Third Party Access\) Regulations 2004](#) (S.I. 2004/2043), reg. 1, **Sch. 2 para. 1(d)**
- F113** Words in s. 19A(4) omitted (26.8.2004) by virtue of [The Gas \(Third Party Access\) Regulations 2004](#) (S.I. 2004/2043), reg. 1, **Sch. 2 para. 1(e)**
- F114** 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)**

[19B ^{F115} Acquisition of rights to use storage facilities. **E+W+S**

- (1) The owner of a storage facility to which this section applies (a “relevant facility”)—

Status: Point in time view as at 01/12/2004.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 21 July 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)

- (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 [^{F116}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 [^{F116}or liquid gas] stored in the facility.
- (4) Any person who seeks a right to have gas [^{F116}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 [^{F116}or liquid gas] is to be stored in the facility;
 - (b) the kind of gas [^{F116}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 [^{F116}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.
- (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 [^{F116}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 [^{F116}or liquid gas] which the owner of the facility requires or may reasonably be expected to require to be stored in the facility; and

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- (b) the quantities of gas [^{F116}or liquid gas] which any person who has a right to have gas [^{F116}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 [^{F116}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 [^{F116}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.]

Textual Amendments

F115 Ss. 19A-19E inserted (10.8.2000) by [S.I. 2000/1937, reg. 2\(2\)](#), [Sch. 2 para. 1](#)

F116 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](#)

[19C] ^{F117} Application of section 19D to LNG facilities. **E+W+S**

- (1) Section 19D applies to [^{F118}an LNG import facility unless, or except to the extent that, its capacity is exempt under this section] .
- (2) [^{F119}A person who is or expects to be an owner of an LNG import facility] may apply in writing to the Director for an exemption [^{F120}with respect to the facility] .
- (3) An exemption shall be given in writing and may be given—
- (a) so as to have effect for an indefinite period or for a period specified in, or determined under, the exemption;
 - (b) unconditionally or subject to such conditions as the Director considers appropriate.
- [so as to have effect in relation to the whole of the capacity of the facility or ^{F121}(c) any significant increase in the capacity of the facility.]
- (4) An exemption may be revoked in accordance with its provisions and, in any event, may be revoked by giving a notice of revocation to the owner of the facility ^{F122}... concerned not less than four months before the coming into force of the revocation.

Status: Point in time view as at 01/12/2004.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 21 July 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)

- [^{F123}(5) The Authority shall give an exemption with respect to a facility where it is satisfied that the requirements of subsection (7) are met.]
- (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.
- (7) The requirements of this subsection are that—
- (a) the facility or (as the case may be) the significant increase in its capacity 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 to provide for a significant increase in its capacity 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;
 - (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; and
 - (f) the Commission of the European Communities is or will be content with the exemption.”
- (8) Subject to subsection (9), an exemption may not be given by virtue of subsection (5) more than once in respect of the same facility.
- (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 a significant increase in its capacity;
 - the exemption has effect only in relation to that increase in its capacity; and
 - no previous exemption has been given by virtue of subsection (5) in relation to that increase in its capacity.
- (10) The Authority shall publish its decision to give or refuse to give an exemption together with the reasons for its decision in such manner as it considers appropriate.]

Textual Amendments

- F117** Ss. 19A-19E inserted (10.8.2000) by S.I. 2000/1937, reg. 2(2), **Sch. 2 para. 1**
- F118** Words in s. 19C(1) substituted (26.8.2004) by The Gas (Third Party Access) Regulations 2004 (S.I. 2004/2043), reg. 1, **Sch. 2 para. 3(a)**
- F119** 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)**
- F120** 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)**
- F121** S. 19C(3)(c) inserted (26.8.2004) by The Gas (Third Party Access) Regulations 2004 (S.I. 2004/2043), reg. 1, **Sch. 2 para. 3(d)**
- F122** S. 19C(4) omitted (26.8.2004) by virtue of The Gas (Third Party Access) Regulations 2004 (S.I. 2004/2043), reg. 1, **Sch. 2 para. 3(e)**

Status: Point in time view as at 01/12/2004.

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F123 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\(f\)](#)

[19D] ^{F124} **Acquisition of rights to use LNG facilities.** E+W+S

- (1) [^{F125}Subject to subsection (2A), the owner of an LNG import facility] to which this section applies (a “relevant facility”)—
 - (a) shall publish [^{F126}prior to their entry into force] the main commercial conditions relating to the grant to another person of a right to have [^{F126}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.

^{F127}(2)

[The cost or the method of determining the cost of acquiring the right to have liquid ^{F128}(2A) 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 [^{F129}liquid gas] treated in the facility.

(4) Any person who seeks a right to have [^{F130}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—

- ^{F131}(a)
- (b) the kind of [^{F132}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 [^{F133}liquid gas] to be treated.

[^{F134}(7) The owner shall notify the applicant of his decision giving reasons for any refusal.]

(8) If the owner [^{F135}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).

^{F136}(9)

(10) [^{F137}Where a person applies to the Authority under subsection (8), the Authority shall—]

- [^{F138}(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

Status: Point in time view as at 01/12/2004.

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- [^{F139}(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 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 [^{F140}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 [^{F140}liquid gas] which any person who has a right to have [^{F140}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.
- (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, ^{F141}... and in the quantities so specified or determined by or under the directions, [^{F142}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 [^{F143}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 ^{F144}...;
 - (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

- F124** Ss. 19A-19E inserted (10.8.2000) by [S.I. 2000/1937, reg. 2\(2\)](#), [Sch. 2 para. 1](#)
- F125** 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\(a\)](#)
- F126** 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\(b\)](#)
- F127** 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\(c\)](#)
- F128** 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\(d\)](#)
- F129** 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\(e\)](#)

Status: Point in time view as at 01/12/2004.

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- F130** 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)**
- F131** 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)**
- F132** 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)**
- F133** 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)**
- F134** 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)**
- F135** 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)**
- F136** 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)**
- F137** 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)**
- F138** 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)**
- F139** 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)**
- F140** 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)**
- F141** 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)**
- F142** 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)**
- F143** 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)**
- F144** 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)**

[^{F145}19DA] **Provision of information** **E+W+S**

A person who is or expects to be the owner of an LNG import facility shall 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.]

Textual Amendments

- F145** S. 19DA inserted (26.8.2004) by The Gas (Third Party Access) Regulations 2004 (S.I. 2004/2043), reg. 1, **Sch. 2 para. 5**

[^{F146}19E] **Sections 19A to 19D: supplemental.** **E+W+S**

(1) In [^{F147}sections 19A to 19DA] and this section—

“accounting information” means such accounting records as would be required by section 221 of the Companies Act 1985 in respect of each of the storage or (as the case may be) treatment activities undertaken by the owner of the facility if those activities were the only business undertaken by the owner and the owner were a person to whom that section applied;

^{F148} ...

Status: Point in time view as at 01/12/2004.

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[^{F149}“LNG import facility” means a facility for the following—

- (a) the importation of liquid gas;
- (b) the regasification of liquid gas following its importation and prior to its conveyance to a pipeline system operated by a gas transporter; and
- (c) any temporary storage of liquid gas which is necessary for the operation of the facility;]

“main commercial conditions” means—

- (a) [^{F150}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;
- (aa) in the case of an LNG import facility, the terms setting out the cost or the method of determining the cost of acquiring the right to have liquid gas treated in the facility;]
- (b) the other significant terms on which such a right [^{F151}as is mentioned in paragraph (a) or (aa)] would be granted; and
- (c) such additional information as the Director may from time to time specify by notice;

[^{F152}“new facility” means—

- (a) a storage facility the construction of which is or is to be completed after 3rd August 2003; or
- (b) a storage facility the modification of which to provide for a significant increase in capacity is or is to be completed after 3rd August 2003.]

“owner” in relation to a storage facility or an [^{F153}LNG import facility] includes any person occupying or having control of the facility;

“significant transaction” means—

- (a) any transaction which relates to rights to have [^{F154}gas or liquid gas stored in a storage facility] , or (as the case may be) [^{F155}liquid gas treated in an LNG import facility] ; and
- (b) any other transaction which is of a description specified from time to time by the Director by notice;

[^{F156}“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;]

[^{F157}“storage facility” means a facility in Great Britain (excluding the territorial sea adjacent to the United Kingdom) for either or both of the following—

- (a) the storage of gas in cavities in strata or in porous strata, provided that the facility is or will be used for the storage of gas which has previously been conveyed in a pipeline system operated by a gas transporter;
- (b) the storage of liquid gas;

but the reference in paragraph (b) to the storage of liquid gas does not include such temporary storage as is mentioned in paragraph (c) of the definition of “LNG import facility”]

[^{F158}“treatment”, in relation to liquid gas in an LNG import facility, includes importation, temporary storage and regasification, and “treat” shall be construed accordingly.]

Status: Point in time view as at 01/12/2004.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 21 July 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) 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).
- (4) For the purposes of sections 19B and 19D, an undertaking is an associated undertaking of another undertaking if one of the undertakings has control of the other, or both undertakings are under the control of the same person or persons; and subsections (2) to (5) of section 416 of the Income and Corporation Taxes Act 1988 shall apply with any necessary modifications for the purposes of this subsection as they apply for the purposes of Part XI of that Act.
- (5) Any reference in section 19B to a right to have gas or gas of [^{F159}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 [^{F160}that kind, or liquid gas or liquid gas of that kind,] .

^{F161}(6)]

Textual Amendments

- F146** Ss. 19A-19E inserted (10.8.2000) by S.I. 2000/1937, reg. 2(2), **Sch. 2 para. 1**
- F147** 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)**
- F148** 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)**
- F149** 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(c)**
- F150** 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(d)**
- F151** Words in s. 19E(1) inserted (26.8.2004) by The Gas (Third Party Access) Regulations 2004 (S.I. 2004/2043), reg. 1, **Sch. 2 para. 6(e)**
- F152** Words in s. 19E(1) inserted (26.8.2004) by The Gas (Third Party Access) Regulations 2004 (S.I. 2004/2043), reg. 1, **Sch. 2 para. 6(f)**
- F153** 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(g)**
- F154** 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)**
- F155** 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)(ii)**
- F156** Words in s. 19E(1) inserted (26.8.2004) by The Gas (Third Party Access) Regulations 2004 (S.I. 2004/2043), reg. 1, **Sch. 2 para. 6(i)**
- F157** 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(j)**
- F158** 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(k)**
- F159** 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)**

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F160 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)**

F161 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)**

^{F162}20 **E+W+S**

Textual Amendments

F162 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. **E+W+S**

[^{F163}(1) If in the case of a pipe-line system operated by a [^{F164}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 [^{F164}gas transporter] by the applicant [^{F165}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 [^{F166}the transporter] if he carries out the modifications;
- (d) require [^{F166}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 [^{F167}pipe-line system];

and that section shall have effect in relation to such an application made by virtue of this subsection as if for references to a [^{F167}pipe-line system] there were substituted references to the [^{F167}pipe-line system] as it would be with those modifications and

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the reference in subsection (2) to the Director deciding whether the application is to be adjourned were omitted.

[^{F168}(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 [^{F164}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.

[^{F169}(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

- F163** 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**
- F164** 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**)
- F165** 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**
- F166** 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**
- F167** 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**
- F168** 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**
- F169** 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. **E+W+S**

- (1) The obligation to comply with any directions under section [^{F170}section 19, 19B(11), 19D(11) or 21(1)] above (in this section referred to as “relevant directions”) [^{F171}and the obligation to comply with any duty in section 19B(7) and 19D(7) (in this section referred to as “relevant duties”) are duties] 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.

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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 [F172 or relevant duties].
- (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.
- [F173] (5) Compliance with the duties in sections 19B(1) and (3), 19D(1) and (3) and section 19E(3) shall be enforceable by civil proceedings by the Director for an injunction or interdict or for any other appropriate relief.]

Textual Amendments

- F170** Words in s. 22(1) substituted (10.8.2000) by S.I. 2000/1937, reg. 2(2), Sch. 2 para. 2(a)
F171 Words in s. 22(1) substituted (10.8.2000) by S.I. 2000/1937, reg. 2(2), Sch. 2 para. 2(b)
F172 Words in s. 22(3) inserted (10.8.2000) by S.I. 2000/1937, reg. 2(2), Sch. 2 para. 2(c)
F173 S. 22(5) inserted (10.8.2000) by S.I. 2000/1937, reg. 2(2), Sch. 2 para. 2(d)

Modifications etc. (not altering text)

- C30** 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)

[F174] 22A Construction of pipe-lines. **E+W+S**

- (1) [F175] 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—
- he has given the other transporter a notice stating that he intends to construct the pipe-line;
 - he has consulted with that transporter as to exactly where F176 . . . the proposed pipe-line is to be located, having regard to the location of other pipe-lines F176 . . . F177 . . .
 - he has consulted with that transporter as to the manner in which—
 - the safety of the pipe-line is to be secured; and
 - any escapes of gas (actual or suspected) from the pipe-line are to be dealt with [F178]; and
 - (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 F179 (1A) transporter to comply with any duty imposed by section 10(2).

(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—

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- (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.
 - [^{F180}“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

- F174** S. 22A inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 20**; S.I. 1996/218, **art. 2**
- F175** 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)
- F176** 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)
- F177** 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)
- F178** 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)
- F179** 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)
- F180** Definition of
“relevant main”
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)

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[^{F181} Modification of licences]

Textual Amendments

F181 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

23 [^{F182} Modification by agreement.] **E+W+S**

- (1) Subject to the following provisions of this section, the Director may—
- modify the conditions of a particular licence; or
 - modify the standard conditions of licences under section 7 above^{F183}, licences under section 7ZA above], licences under subsection (1) of section 7A above or licences under subsection (2) of that section.
- (2) Where at any time the Director modifies under subsection (1)(b) above the standard conditions of licences under section 7 above^{F184}, licences under section 7ZA above], licences under subsection (1) of section 7A above or licences under subsection (2) of that section, he—
- 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
 - may make such incidental or consequential modifications as he considers necessary or expedient of any conditions of licences under that provision granted before that time.
- (3) Before making modifications under this section, the Director shall give notice—
- stating that he proposes to make the modifications and setting out their effect;
 - stating the reasons why he proposes to make the modifications; and
 - 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.
- (4) A notice under subsection (3) above shall be given—
- 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
 - by sending a copy of the notice to the holder of the licence or, as the case may be, the relevant licence holders, to the Secretary of State, to the Health and Safety Executive and to the Council.
- (5) If, within the time specified in the notice under subsection (3) above, the Secretary of State directs the Director not to make any modification, the Director shall comply with the direction.
- [^{F185}(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—
- are requisite to meet the circumstances of the particular case; and

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- (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.]
- [^{F186}(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.]
- (10) This subsection applies where the Director is of the opinion—
- (a) that the effect of the standard conditions is such as to impose a burden affecting relevant licence holders in the carrying on of activities to which the modifications relate;
 - (b) that the modifications would remove or reduce the burden without removing any necessary protection; and
 - (c) in the case of a licence under subsection (1) or (2) of section 7A above, that the modifications are such that no holder of such a licence would be unduly disadvantaged in competing with other holders of such licences.
- (11) Where at any time the Director modifies standard conditions under subsection (2)(a) above for the purposes of their incorporation in licences under section 7[^{F187}, 7ZA] or 7A(1) or (2) above granted after that time, he shall publish the modifications in such manner as he considers appropriate.
- [^{F188}(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

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- (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.]

Textual Amendments

- F182** 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**
- F183** Words in s. 23(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**
- F184** Words in s. 23(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**
- F185** S. 23(6)(6A) substituted (1.10.2001) for s. 23(6) by 2000 c. 27, **s. 82(3)**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F186** S. 23(7)(8) substituted (1.10.2001) for s. 23(7)-(9) by 2000 c. 27, **s. 82(3)**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)
- F187** Words in s. 23(11) inserted (1.12.2004) by Energy Act 2004 (c. 20), **ss. 150(9)**, 198(2); S.I. 2004/2575, **art. 2(2)**, **Sch. 2**
- F188** S. 23(12)(13) substituted (16.5.2001 for certain purposes and otherwise 1.10.2001) for s. 23(12) by 2000 c. 27, **s. 82(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)

24 Modification references to Monopolies Commission. **E+W+S**

- [^{F189}(1) The Director may make to the [^{F190}Competition Commission] a reference which is so framed as to require the Commission to investigate and report on the questions—
- (a) whether any matters which relate to—
- (i) the carrying on of activities authorised or [^{F191}regulated] by a particular licence, or
[licences under section 7ZA above,]
^{F192}(ia)
- (ii) the storage of gas on terms which have been determined by the holder of a particular 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,
- and which are specified in the reference operate, or may be expected to operate, against the public interest; and
- (b) if so, whether the effects adverse to the public interest which those matters have or may be expected to have could be remedied or prevented by modifications of the relevant conditions, that is to say, the conditions of the licence.
- (1A) The Director may make to the [^{F193}Competition Commission] a reference which is so framed as to require the Commission to investigate and report on the questions—
- (a) whether any matters which relate to the carrying on of activities authorised or [^{F194}regulated] by—

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- (i) licences under section 7 above,
 - (ii) licences under subsection (1) of section 7A above which incorporate the standard conditions, or
 - (iii) licences under subsection (2) of that section,
- and which are specified in the reference operate, or may be expected to operate, against the public interest; and
- (b) if so, whether the effects adverse to the public interest which those matters have or may be expected to have could be remedied or prevented by modifications of the relevant conditions, that is to say, the standard conditions of licences under that section or, as the case may be, that subsection.]
- (2) The Director may, at any time, by notice given to the [^{F195}Competition Commission] vary a reference under this section by adding to the matters specified in the reference or by excluding from the reference some ^{F196} . . . of the matters so specified; and on receipt of such notice the Commission shall give effect to the variation.
- (3) The Director may specify in a reference under this section, or a variation of such a reference, for the purpose of assisting the [^{F197}Competition Commission] in carrying out the investigation on the reference—
- (a) any effects adverse to the public interest which, in his opinion, the matters specified in the reference or variation have or may be expected to have; and
 - (b) any modifications of the [^{F198}relevant conditions] by which, in his opinion, those effects could be remedied or prevented.
- (4) As soon as practicable after making a reference under this section or a variation of such a reference, the Director—
- (a) shall send a copy of the reference or variation to [^{F199}the holder of the licence or, as the case may be, the relevant licence holders] and to the Council; and
 - (b) publish particulars of the reference or variation in such manner as he considers appropriate for the purpose of bringing the reference or variation to the attention of persons likely to be affected by it.
- ^{F200}(4A) The Director shall also send a copy of a reference under subsection (1A) above, or a variation of such a reference, to the Secretary of State; and if, before the end of the period of 28 days beginning with the day on which he receives the copy of the reference or variation, the Secretary of State directs the [^{F201}Competition Commission] not to proceed with the reference or, as the case may require, not to give effect to the variation, the Commission shall comply with the direction.]
- (5) It shall be the duty of the Director, for the purpose of assisting the [^{F202}Competition Commission] in carrying out an investigation on a reference under this section [^{F203}or in carrying out functions under section 26A], 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 [^{F203}or the carrying out of those functions], and which is either requested by the Commission for that purpose or 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,

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and the Commission, for the purpose of carrying out any such investigation [^{F203}or such functions], shall take account of any information given to them for that purpose under this subsection.

- (6) In determining for the purposes of this section whether any particular matter operates, or may be expected to operate, against the public interest, the [^{F204}Competition Commission] shall have regard to the matters as respects which duties are imposed on the Secretary of State and the Director by [^{F205}sections 4AA, 4AB and 4A] above.

^{F206}(7)

^{F206}(7A)

[^{F207}(8) In this section and sections [^{F208}24A,] 25 [^{F209},26 and 26A]—

“relevant conditions” has the meaning given by subsection (1) or (1A) above;

“relevant licence holder”—

- (a) in relation to a reference under subsection (1A) above, means the holder of a licence to which the reference relates;
- (b) in relation to modifications of relevant conditions within the meaning given by that subsection, means the holder of a licence which incorporates the conditions.]

Textual Amendments

- F189** S. 24(1)(1A) substituted for s. 24(1) (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 22(1)**; S.I. 1996/218, **art. 2**
- F190** Words in s. 24(1) substituted (1.4.1999) by S.I. 1999/506, **art. 20(a)**
- F191** Word in s. 24(1)(a)(i) substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6, Pt. I para. 8(2)**; S.I. 2001/3266, **arts. 1(2), 2, Sch.** (subject to transitional provisions in arts. 3-20)
- F192** S. 24(1A)(a)(ia) inserted (1.12.2004) by Energy Act 2004 (c. 20), **ss. 149(9)**, 198(2); S.I. 2004/2575, **art. 2(2), Sch. 2**
- F193** Words in s. 24(1A) substituted (1.4.1999) by S.I. 1999/506, **art. 20(b)**
- F194** Words in s. 24(1A)(a) substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6, Pt. I para. 8(2)**; S.I. 2001/3266, **arts. 1(2), 2, Sch.** (subject to transitional provisions in arts. 3-20)
- F195** Words in s. 24(2) substituted (1.4.1999) by S.I. 1999/506, **art. 20(b)**
- F196** Words in s. 24(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)
- F197** Words in s. 24(3) substituted (1.4.1999) by S.I. 1999/506, **art. 20(b)**
- F198** Words in s. 24(3) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 22(2)**; S.I. 1996/218, **art. 2**
- F199** Words in s. 24(4) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 22(3)**; S.I. 1996/218, **art. 2**
- F200** S. 24(4A) inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 22(4)**; S.I. 1996/218, **art. 2**
- F201** Words in s. 24(4A) substituted (1.4.1999) by S.I. 1999/506, **art. 20(b)**
- F202** Words in s. 24(5) substituted (1.4.1999) by S.I. 1999/506, **art. 20(b)**
- F203** Words in s. 24(5) inserted (1.10.2001) by 2000 c. 27, **s. 83(1)**; S.I. 2001/3266, **arts. 1(2), 2, Sch.** (subject to transitional provisions in arts. 3-20)
- F204** Words in s. 24(6) substituted (1.4.1999) by S.I. 1999/506, **art. 20(b)**
- F205** Words in s. 24(6) substituted (20.12.2000) by 2000 c. 27, s. 108, **Sch. 6 Pt. I para. 8(3)**; S.I. 2000/3343, **art. 2, Sch.** (subject to transitional provisions in arts. 3-15)
- F206** S. 24(7)(7A) repealed (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, Sch. 25 para. 15(3)(a), **Sch. 26**; S.I. 2003/1397, **art. 2(1), Sch.** (with art. 8)

Status: Point in time view as at 01/12/2004.

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- F207** S. 24(8) inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 22(6)**; S.I. 1996/218, **art. 2**
- F208** Word in s. 24(8) inserted (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, **Sch. 25 para. 15(3)(b)**; S.I. 2003/1397, **art. 2(1)**, **Sch.** (with art. 8)
- F209** Words in s. 24(8) substituted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6**, Pt. I para. 8(4); S.I. 2001/3266, **arts. 1(2), 2**, **Sch.** (subject to transitional provisions in arts. 3-20)

Modifications etc. (not altering text)

- C31** S. 24 amended (16.5.2001) by 2000 c. 27, **s. 104(1)(2)** (with s. 104(6)); S.I. 2001/1781, **art. 2**, **Sch.** (subject to transitional provisions in arts. 3-10)

[^{F210}**24A References under section 24: time limits** **E+W+S**]

- (1) Every reference under section 24 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 24 above shall not have effect (and no action shall be taken in relation to it under section 26 below) 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.
- (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, in the case of an extension made by it under subsection (3) above—
 - (a) publish that extension in such manner as it considers appropriate for the purpose of bringing it to the attention of persons likely to be affected by it; and
 - (b) send a copy of what has been published by it under paragraph (a) above to the holder of the licence or, as the case may be, the relevant licence holders.]

Textual Amendments

- F210** S. 24A, 24B inserted (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, **Sch. 25 para. 15(4)**; S.I. 2003/1397, **art. 2(1)**, **Sch.** (with art. 8) (as amended (20.7.2007) by S.I. 2007/1846, reg. 3(2), **Sch.**)

[^{F210}**24B References under section 24: powers of investigation** **E+W+S**]

- (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 24 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);

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- (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) Provisions of Part 3 of the Enterprise Act 2002 which have effect for the purposes of sections 109 to 116 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) above, have effect in relation to those sections as applied by virtue of that subsection.
- (5) Accordingly, corresponding provisions of this Act shall not have effect in relation to those sections as applied by virtue of that subsection.]

Textual Amendments

F210 S. 24A, 24B inserted (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, Sch. 25 para. 15(4); S.I. 2003/1397, art. 2(1), Sch. (with art. 8) (as amended (20.7.2007) by S.I. 2007/1846, reg. 3(2), Sch.)

25 Reports on modification references. **E+W+S**

- (1) In making a report on a reference under section 24 above, the [^{F211}Competition Commission]—
- (a) shall include in the report definite conclusions on the questions comprised in the reference together with such an account of their reasons for those conclusions as in their opinion is expedient for facilitating proper understanding of those questions and of their conclusions;
 - (b) where they conclude that any of the matters specified in the reference operate, or may be expected to operate, against the public interest, shall specify in the report the effects adverse to the public interest which those matters have or may be expected to have; and
 - (c) where they conclude that any adverse effects so specified could be remedied or prevented by modifications of [^{F212}the relevant conditions], shall specify in the report modifications by which those effects could be remedied or prevented.

[^{F213}(1A) For the purposes of sections 26 and 26A below, a conclusion contained in a report of the Competition Commission is to be disregarded if the conclusion is not that of at least

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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.

- (1B) If a member of a group so constituted disagrees with any conclusions contained in a report made on a reference under section 24 above 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.]

^{F214}(2)

[^{F215}(3) 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 24 above.

(3A) In making any report on a reference under section 24 above the Competition Commission must have regard to the following considerations before disclosing any information.

(3B) 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.

(3C) 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.

(3D) The third consideration is the extent to which the disclosure of the information mentioned in subsection (3C)(a) or (b) above is necessary for the purposes of the report.]

(4) A report of the [^{F211}Competition Commission] on a reference under section 24 above shall be made to the Director.

(5) Subject to subsection (6) below, the Director shall—

- (a) on receiving [^{F216}a report on a reference under section 24(1) above, send a copy of it to the licence holder] and to the Secretary of State; and
- (b) not less than 14 days after that copy is received by the Secretary of State, send another copy to the Council and publish that other copy in such manner as he considers appropriate for bringing the report to the attention of persons likely to be affected by it.

[^{F217}(5A) Subject to subsection (6) below, the Director shall—

- (a) on receiving a report on a reference under section 24(1A) above, send a copy of it to the Secretary of State; and
- (b) not less than 14 days after that copy is received by the Secretary of State—
 - (i) send another copy to the Council and to each relevant licence holder; and
 - (ii) not less than 24 hours after complying with sub-paragraph (i) above, publish the copy sent to the Council in such manner as he considers appropriate for bringing the report to the attention of persons likely to be affected by it.]

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- (6) If it appears to the Secretary of State that the publication of any matter in such a 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 (5) [^{F218}or (5A)]above, direct the Director to exclude that matter from [^{F219}the copy of the report, or (as the case may be) each copy of the report, to be sent and published as mentioned in paragraph (b) of that subsection].

Textual Amendments

- F211** Words in s. 25(1)-(4) substituted (1.4.1999) by S.I. 1999/506, **art. 20(b)**
- F212** Words in s. 25(1)(c) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 23(1)**; S.I. 1996/218, **art. 2**
- F213** S. 25(1A)(1B) inserted (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, **Sch. 25 para. 15(5)(a)**; S.I. 2003/1397, **art. 2(1)**, **Sch.** (with **art. 8**)
- F214** S. 25(2) repealed (1.3.2000) by 1998 c. 41, ss. 66(5), 74(3), **Sch. 10 Pt. IV para. 10(3)**, **Sch. 14 Pt. I** (with s. 73); S.I. 2000/344, **art. 2 Sch.**
- F215** S. 25(3)-(3D) substituted for s. 25(3) (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, **Sch. 25 para. 15(5)(b)**; S.I. 2003/1397, **art. 2(1)**, **Sch.** (with **art. 8**)
- F216** Words in s. 25(5)(a) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 23(3)**; S.I. 1996/218, **art. 2**
- F217** S. 25(5A) inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 23(4)**; S.I. 1996/218, **art. 2**
- F218** Words in s. 25(6) inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 23(5)(a)**; S.I. 1996/218, **art. 2**
- F219** Words in s. 25(6) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 23(5)(b)**; S.I. 1996/218, **art. 2**

26 Modification following report. **E+W+S**

- (1) Where a report of the [^{F220}Competition Commission]a reference under section 24 above—
- includes conclusions to the effect that any of the matters specified in the reference operate, or may be expected to operate, against the public interest;
 - specifies effects adverse to the public interest which those matters have or may be expected to have;
 - includes conclusions to the effect that those effects could be remedied or prevented by modifications of [^{F221}the relevant conditions]; and
 - specifies modifications by which those effects could be remedied or prevented,

the Director shall, subject to the following provisions of this section, make such modifications of [^{F221}the relevant conditions] as appear to him requisite for the purpose of remedying or preventing the adverse effects specified in the report.

- [^{F222}(1A) Where at any time the Director modifies under subsection (1) above the standard conditions of licences under section 7 above][^{F223}, licences under section 7ZA above], licences under subsection (1) of section 7A above or licences under subsection (2) of that section, he—
- 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

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- (b) may make such incidental or consequential modifications as he considers necessary or expedient of any conditions of licences under that provision granted before that time;
- and the above reference to subsection (1) above is a reference to that subsection as it applies in relation to a report on a reference under section 24(1A) above.]
- (2) Before making modifications under this section, the Director shall have regard to the modifications specified in the report.
- (3) Before making modifications under this section, 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.
- (4) A notice under subsection (3) 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 the making of the modifications; and
 - (b) by sending a copy of the notice to the [^{F224}holder of the licence or, as the case may be, the relevant licence holders, to the Health and Safety Executive] and to the Council.
- [^{F225}(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.]

[^{F226}(5) Where at any time the Director modifies standard conditions under subsection (1A)(a) above for the purposes of their incorporation in licences under section 7[^{F227}, 7ZA] or 7A(1) or (2) above granted after that time, he shall publish the modifications in such manner as he considers appropriate.]

[^{F228}(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.]

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Textual Amendments

- F220** Words in S. 26(1) substituted (1.4.1999) by S.I. 1999/506 art. 20(b)
- F221** Words in s. 26(1) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 24(1)**; S.I. 1996/218, **art. 2**
- F222** S. 26(1A) inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 24(2)**; S.I. 1996/218, **art. 2**
- F223** Words in s. 26(1A) inserted (1.12.2004) by Energy Act 2004 (c. 20), **ss. 150(8)**, 198(2); S.I. 2004/2575, **art. 2(2)**, **Sch. 2**
- F224** Words in s. 26(4) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 24(3)**; S.I. 1996/218, **art. 2**
- F225** S. 26(4A)-(4C) inserted (1.10.2001) by 2000 c. 27, **s. 83(2)**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in **arts. 3-20**)
- F226** S. 26(5) inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 24(4)**; S.I. 1996/218, **art. 2**
- F227** Words in s. 26(5) inserted (1.12.2004) by Energy Act 2004 (c. 20), **ss. 150(9)**, 198(2); S.I. 2004/2575, **art. 2(2)**, **Sch. 2**
- F228** S. 26(6) inserted (1.10.2001) by 2000 c. 27, **s. 83(3)**; S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in **arts. 3-20**)

[^{F229}26A Competition Commission's power to veto modifications following report. **E+W** **+S**

- (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).

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- (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,
- 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 [^{F230}or section 7ZA] 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.

[For the purposes of the law relating to defamation, absolute privilege attaches to any ^{F231}(11A) notice under subsection (4)(a), (6) or (8).

- (11B) In giving any notice under subsection (4)(a) or (6), or publishing any notice under subsection (8), the Commission must have regard to the following considerations before disclosing any information.
- (11C) The first consideration is the need to exclude from disclosure (so far as practicable) any information whose disclosure the Commission thinks is contrary to the public interest.

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- (11D) The second consideration is the need to exclude from disclosure (so far as practicable) —
- (a) commercial information whose disclosure the 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 Commission thinks might significantly harm the individual's interests.
- (11E) The third consideration is the extent to which the disclosure of the information mentioned in subsection (11D)(a) or (b) is necessary for the purposes of the notice.
- (11F) The following sections of Part 3 of the Enterprise Act 2002 shall apply, with the modifications mentioned in subsections (11G) and (11H), for the purposes of any investigation by the Commission for the purposes of the exercise of its functions under this section, as they apply for the purposes of any investigation on 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).
- (11G) Section 110 shall, in its application by virtue of subsection (11F), have effect as if—
- (a) subsection (2) were omitted;
 - (b) in subsection (4), for the words “the publication of the report of the Commission on the reference concerned” there were substituted “the publication by the Commission of a notice under section 26A(8) of the Gas Act 1986 in connection with the reference concerned or, if no direction has been given by the Commission under section 26A(1) of that Act in connection with the reference concerned and within the period permitted for that purpose, the latest day on which it was possible to give such a direction within the permitted period”; and
 - (c) in subsection (9) the words from “or section” to “section 65(3)” were omitted.
- (11H) Section 111(5)(b) shall, in its application by virtue of subsection (11F), have effect as if for sub-paragraph (ii) there were substituted—
- “(ii) if earlier, the day on which a notice is published by the Commission under section 26A(8) of the Gas Act 1986 in connection with the reference concerned or, if no direction is given by the Commission under section 26A(1) of that Act in connection with the reference concerned and within the period permitted for that purpose, the latest day on which such a direction may be given within the permitted period.”.
- (11I) Provisions of Part 3 of the Enterprise Act 2002 which have effect for the purposes of sections 109 to 116 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

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by virtue of subsection (11F) above, have effect in relation to those sections as applied by virtue of that subsection.

(11J) Accordingly, corresponding provisions of this Act shall not have effect in relation to those sections as applied by virtue of that subsection.]

^{F232}(12)

^{F232}(13)

(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.]

Textual Amendments

- F229** S. 26A inserted (1.10.2001) by 2000 c. 27, ss. 83(4), 104(1)(2) (with s. 104(6)); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F230** Words in s. 26A(9) inserted (1.12.2004) by Energy Act 2004 (c. 20), ss. 150(10), 198(2); S.I. 2004/2575, art. 2(2), Sch. 2
- F231** Ss. 26A(11A)-(11J) inserted (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, Sch. 25 para. 15(6) (a); S.I. 2003/1397, art. 2(1), Sch. (with art. 8)
- F232** S. 26A(12)(13) repealed (20.6.2003) by Enterprise Act 2002 (c. 40), s. 279, Sch. 25 para. 15(6)(b), Sch. 26; S.I. 2003/1397, art. 2(1), Sch. (with art. 8)

^{F233}27 **Modification by order under other enactments.** E+W+S

^{F234}(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^{F235}, 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)^{F236} 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

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by the holder if he had thought fit or had been required to determine them by or under a condition of the licence.]

^{F237}(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 [^{F238}relevant authority] modifies under subsection (1)(b) above the standard conditions of licences under section 7 above [^{F239}, licences under section 7ZA above], licences under subsection (1) of section 7A above or licences under subsection (2) of that [^{F240}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 [^{F241}as the relevant authority considers] necessary or expedient of any conditions of licences under that provision granted before that time.

^{F242}(3)

^{F242}(4)

(5) Where at any time the [^{F243}relevant authority] modifies standard conditions under subsection (2)(a) above for the purposes of their incorporation in licences granted after that time, [^{F244}the relevant authority] shall publish those modifications in such manner as [^{F244}the relevant authority] considers appropriate.

^{F245}(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

- F233** S. 27 substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 25**; S.I. 1996/218, **art. 2**
- F234** 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.
- F235** 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
- F236** 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**
- F237** 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**)
- F238** 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.
- F239** 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
- F240** 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.
- F241** 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.
- F242** 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.

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- F243** 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.
- F244** 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.
- F245** 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.

[^{F246} Determination of disputes]

Textual Amendments

- F246** 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 [^{F247} **Determination of certain disputes.**] **E+W+S**

- (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 [^{F248}gas transporter] or gas supplier and a person who is, or wishes to become, a [^{F249}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
 - (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 [^{F248}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 [^{F248}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.

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- (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

F247 S. 27A inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 26**; S.I. 1996/218, **art. 2**

F248 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)

F249 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)

Public gas suppliers: enforcement

28 Orders for securing compliance with certain provisions. E+W+S

- (1) Subject to subsections (2) [^{F250}, (5) and (5A)] and section 29 below, where the Director is satisfied that a [^{F251}licence holder] is contravening, or [^{F252}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 [^{F253}subsections (5) and (5A)] below, where it appears to the Director—
 - (a) that a [^{F251}licence holder] is contravening, or [^{F252}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—

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- (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 [F253subsections (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 [F251licence holder] is contravening, or [F252is 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—
- (a) that the duties imposed on him by [F254section [F2554AA, 4AB or 4A]preclude the making or, as the case may be, the confirmation of the order
 - F256(aa)
 - F256(b)
 - [that the most appropriate way of proceeding is under the Competition Act
 - F257(c) 1998.]
- [The Authority is not required to make a final order or make or confirm a provisional
- F258(5A) order if it is satisfied—
- (a) that the licence holder 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 licence holder 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 [F253subsections (5) and (5A)] above, he shall—
- (a) give notice that he is so satisfied to the [F259licence holder]; 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 [F259licence holder] (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.
- F260(7A)
- (8) In this section and sections 29 [F261 to 30F] below—

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“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;

“relevant condition”, in relation to a ^[F262]licence holder], means any condition of his ^[F262]licence holder];

^[F263]“relevant requirement”, in relation to a licence holder, means any requirement imposed on him by or under section 9(1) ^[F264], (1A)] or (2), 10(2), (3) or (14) ^[F265]10A(1),], 11(2), 12(1) or (6) ^[F264], 16(10),], 18(11), 22A(1) or 27A(5) or (6) above or section 33B, ^[F264]33BA, 33C,]. . . 33D ^[F266], 33F, 41A or 41B] below or any provision of paragraphs 3, 6, 15, 16, 20(5) and 28(2) of Schedule 2B to this Act ^[F267]or section 27(4)(b) of the Utilities Act 2000 (order to comply with a direction under section 24 of that Act)].]

^{F268}(9)]

Textual Amendments

- F250** 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)
- F251** Words in s. 28(1)(2)(4) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 27(1); S.I.** 1996/218, **art. 2**
- F252** 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.
- F253** 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)
- F254** 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**
- F255** 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)
- F256** 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)
- F257** 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.**
- F258** 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)
- F259** Words in s. 28(6)(7) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 27(3); S.I.** 1996/218, **art. 2**
- F260** 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)
- F261** 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)
- F262** Words in s. 28(8) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 27(5)(a); S.I.** 1996/218, **art. 2**
- F263** 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**
- F264** Words in definition of “relevant requirement” in s. 28(8) inserted (1.10.2001) by 2000 c. 27, s. 108, **Sch. 6, Pt. I para. 12(a)-(c); S.I.** 2001/3266, **art. 2, Sch.** (subject to transitional provisions in arts. 3-20)
- F265** Words in definition of “relevant requirement” in s. 28(8) inserted (1.10.2001) by 2000 c. 27, s. 77(2); S.I. 2001/3266, arts. 1(2), 2, **Sch.** (subject to transitional provisions in arts. 3-20)

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- F266** Words in definition of “relevant requirement” in s. 28(8) substituted (1.10.2001) by 2000 c. 27, s. 108, Sch. 6, Pt. I para. 12(e); S.I. 2001/3266, arts. 1(2), 2, Sch. (subject to transitional provisions in arts. 3-20)
- F267** Words in definition of “relevant requirement” in s. 28(8) inserted (7.11.2000) by 2000 c. 27, s. 108, Sch. 6 Pt. I para. 12(f); S.I. 2000/2974, art. 2, Sch. (subject to transitional provisions in arts. 3-12)
- F268** 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)

29 Procedural requirements. **E+W+S**

- (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;
 - (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 [F269]21] 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 [F270]licence holder].
- (3) The Director shall not make a final order, or confirm a provisional order, with modifications except with the consent of the [F270]licence holder] or after complying with the requirements of subsection (4) below.
- (4) The said requirements are that the Director shall—
 - (a) give to the [F270]licence holder] 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 [F271]21] 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.

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- (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 [^{F270}licence holder].
- (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 [^{F270}licence holder]; 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.

Textual Amendments

- F269** 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)
- F270** Words in s. 29(2)-(4)(6)(7) substituted (1.3.1996) by 1995 c. 45, s. 10(1), Sch. 3 para. 28; S.I. 1996/218, art. 2
- F271** 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)

30 Validity and effect of orders. E+W+S

- (1) If the [^{F272}licence holder] 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.
- [^{F273}(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 licence holder have been substantially prejudiced by a failure to comply with those requirements—
 - (a) may quash the order or any provision of the order; ^{F274} . . .
 - ^{F275}(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.

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

Textual Amendments

F272 Words in s. 30(1) substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 29(1)**; S.I. 1996/218, **art. 2**

F273 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**

F274 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)

F275 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)

[^{F276}30A Penalties. **E+W+S**

- (1) Where the Authority is satisfied that a licence holder—
- (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 licence holder 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 licence holder 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 licence holder 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,

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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
- (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 licence holder 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 licence holder, by which the penalty is required to be paid.

(6) The licence holder 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 licence holder; 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 licence holder (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.]

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Textual Amendments

F276 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)

C32 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.

[^{F277} 30B Statement of policy with respect to penalties. **E+W+S**]

- (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

F277 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)

[^{F278} 30C Time limits on the imposition of penalties. **E+W+S**]

- (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 12 months 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 licence holder under section 30A(7), or
 - (b) a notice relating to the contravention or failure is served on the licence holder 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 licence holder 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

F278 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)

[^{F279}30D Interest and payment of instalments. **E+W+S**

- (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

F279 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)

Marginal Citations

M9 1838 c. 110.

[^{F280}30E Appeals. **E+W+S**

- (1) If the licence holder on whom a penalty is imposed is aggrieved by—
 - (a) the imposition of the penalty;
 - (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 licence holder 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 licence holder of a notice under section 30A(5), or

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- (b) where the application relates to a decision of the Authority on an application by the licence holder 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 licence holder 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.]

Textual Amendments

F280 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)

[^{F281}30F Recovery of penalties. E+W+S

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—

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- (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 licence holder, as a civil debt due to it, any of the penalty and any interest which has not been paid.]

Textual Amendments

F281 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)

Investigation of complaints etc.

^{F282}31 **E+W+S**

Textual Amendments

F282 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)

[^{F283}32 **Consumer complaints.** **E+W+S**

- (1) This section applies to a complaint which any customer or potential customer of, or user of gas supplied by, an authorised supplier (“the complainant”) has in his capacity as such against—
 - (a) the supplier, in respect of any matter connected with the services provided by him in the course of carrying on regulated activities; or
 - (b) any other person authorised by a licence or exemption, in respect of any matter affecting those services which is connected with the carrying on by that other person of regulated activities.
- (2) Where a complaint to which this section applies (other than one appearing to it to be frivolous or vexatious) is referred to the Council by or on behalf of the complainant, the Council shall (subject to subsection (5)) investigate the complaint for the purpose of determining whether it is appropriate to take any action under subsection (6).
- (3) Where it appears to the Council that the complaint relates to a matter in respect of which any enforcement function is or may be exercisable the Council shall (unless it considers that the Authority already has notice of that matter) inform the Authority of the matter.
- (4) Where it appears to the Council that the complaint relates to a matter which constitutes a dispute of a kind which can be referred to the Authority under any provision of this Act, the Council shall inform the complainant that he may have the right to refer the dispute to the Authority.
- (5) The Council is not required by this section—
 - (a) to investigate a complaint, until the complainant has taken such steps as appear to the Council to be reasonable for him to take for the purpose of giving the

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- person against whom the complaint is made a reasonable opportunity to deal with the complaint;
- (b) to investigate any matter to which subsection (3) applies, until the Authority has had a reasonable opportunity to exercise any enforcement function in respect of that matter; and
- (c) to investigate any matter constituting a dispute which has been referred to the Authority under any provision of this Act.
- (6) Where it appears to the Council to be appropriate to do so with a view to assisting in reaching a satisfactory resolution of a complaint referred to it under this section, the Council shall make representations on behalf of the complainant to the person against whom the complaint is made about anything to which the complaint relates.
- (7) After investigating a complaint the Council may make a report to the Authority; and such a report may include information about—
- (a) any representations made by the Council under subsection (6); and
- (b) the response of the person against whom the complaint is made to the complaint or any such representations.
- (8) No report under subsection (7), or information about a complaint referred to the Council under this section from which the complainant may be identified, shall be published or disclosed by the Council or the Authority in the exercise of any power under the Utilities Act 2000 or this Act, without the consent of the complainant.
- (9) Where a representation made to the Authority about any matter (other than one appearing to it to be frivolous or vexatious) appears to the Authority—
- (a) to be about a matter which is or amounts to a complaint to which this section applies; and
- (b) to have been made by or on behalf of the complainant, the Authority shall refer the complaint to the Council.
- (10) In this section—
- “enforcement function” means a function under section 28 or 30A; and
- “regulated activities” means activities which are authorised or regulated by a licence or exemption.]

Textual Amendments

F283 S. 32 substituted (7.11.2000) by 2000 c. 27, s. 22(1); S.I. 2000/2974, art. 2, Sch. (subject to transitional provisions in arts. 3-12)

^{F284} 32A **E+W+S**

Textual Amendments

F284 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)

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[^{F285}33 Power of Council to investigate other matters. E+W+S

- (1) The Council may investigate any matter (not being a matter which it is its duty to investigate under this Part) which appears to it to be a matter relating to the interests of consumers in relation to gas conveyed through pipes.
- (2) The power to undertake an investigation under this section includes, without prejudice to the generality of subsection (1), power to investigate any matter relating to or to anything connected with gas fittings (or their use) or the use of gas supplied by authorised suppliers.
- (3) In subsection (2), “gas fittings” means gas fittings used or intended to be used by persons supplied with gas by authorised suppliers.
- (4) Where the Council has investigated a matter under this section it may make a report on that matter to the Authority, the Secretary of State, [^{F286}the Office of Fair Trading] or any other public authority whose functions appear to the Council to be exercisable in relation to that matter.
- (5) Subject to subsection (6), the Council may—
 - (a) send a report on any matter investigated under this section to any person who appears to the Council to have an interest in that matter; and
 - (b) publish any such report in such manner as the Council thinks appropriate.
- (6) Information which relates to the affairs of any particular individual or body of persons (corporate or unincorporate)—
 - (a) shall not be included in a report which is to be sent to any person under subsection (5)(a), unless one or more of paragraphs (a) to (c) of subsection (7) applies; and
 - (b) shall be excluded from any such report which is to be published under subsection (5)(b), unless one or more of paragraphs (a) to (c) of subsection (8) applies.
- (7) Information relating to a particular individual or body may be included in a report to be sent under subsection (5)(a) if—
 - (a) that individual or body has consented to the disclosure;
 - (b) it is information that is available to the public from some other source; or
 - (c) it is not information the disclosure of which would or might, in the opinion of the Council, seriously and prejudicially affect the interests of that individual or body.
- (8) Information relating to a particular individual or body may be included in a report to be published under subsection (5)(b) if—
 - (a) that individual or body has consented to the publication;
 - (b) it is information that is available to the public from some other source; or
 - (c) it is not information the publication of which would or might, in the opinion of the Council, seriously and prejudicially affect the interests of that individual or body.
- (9) Before deciding to include in such a report any information relating to a particular individual or body in pursuance of subsection (7)(c) or (8)(c), the Council shall—
 - (a) consult that individual or body; and

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- (b) have regard to any opinion expressed by the Authority as to the application of subsection (7)(c) or (8)(c) to the information or as to the desirability or otherwise of its inclusion in the report;
- and paragraph (b) applies whether the opinion is given in relation to the information itself or to information of a description which applies to that information.]

Textual Amendments

- F285** S. 33 substituted (7.11.2000) by 2000 c. 27, s. 23(1) (with Sch. 7 para. 31); S.I. 2000/2974, art. 2, Sch. (subject to transitional provisions in arts. 3-12)
- F286** Words in s. 33(4) substituted (1.4.2003) by Enterprise Act 2002 (c. 40), s. 279, Sch. 25 para. 15(7); S.I. 2003/766, art. 2, Sch. (with art. 3) (as amended (20.7.2007) by S.I. 2007/1846, reg. 3(2), Sch.)

[^{F287} Standards of performance]

Textual Amendments

- F287** 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.

^{F288} 33A Standards of performance in individual cases. **E+W+S**

- [The Authority may make regulations prescribing such standards of performance in
- ^{F289}(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 [^{F290}gas suppliers] are to inform [^{F291}customers or potential customers] of their rights under this section [^{F292}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 [^{F290}gas suppliers] are to be exempted from any requirements of the regulations or this section; and
 - (d) [^{F293}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 [^{F290}gas suppliers].
- (4) If a [^{F294}gas supplier] fails to meet a prescribed standard, he shall make to any [^{F295}customer or potential customer] who is affected by the failure [^{F296}and is of a prescribed description]such compensation as may be determined by or under the regulations.

Status: Point in time view as at 01/12/2004.

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- (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.

F297(6)

F297(7)

F297(8)

F297(9)

F298(10)

F298(11)

Textual Amendments

- F288** 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.
- F289** [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](#))
- F290** 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](#)
- F291** 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](#))
- F292** 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](#))
- F293** 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](#)
- F294** 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](#)
- F295** 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](#))
- F296** 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](#))
- F297** [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](#))
- F298** [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](#)

[^{F299} **33A Standards of performance in individual cases: gas transporters.** **E+W+S**

- (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.

Status: Point in time view as at 01/12/2004.

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- (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

F299 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)

[^{F300}33A] Standards of performance in individual cases: disputes. **E+W+S**

- (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.
- (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.

Status: Point in time view as at 01/12/2004.

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- (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

F300 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)

[^{F301}33B Overall standards of performance. **E+W+S**

- (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 [^{F302}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.

^{F303}(2)

[^{F304}(3) Different standards may be determined for different gas suppliers 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.

(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 [^{F305}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

F301 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.

F302 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

F303 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)

F304 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

F305 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

Status: Point in time view as at 01/12/2004.

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[^{F306} **33BA** Overall standards of performance: gas transporters. **E+W+S**]

- (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

F306 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)

[^{F307} **33BA** Procedures for prescribing or determining standards of performance. **E+W+S**]

- (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.
- (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

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- (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

F307 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)

[^{F308}33B Promotion of the efficient use by consumers of gas. **E+W+S**

- (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 energy efficiency target to be determined by the Authority under the order for that transporter or supplier (and that obligation is referred to in this section as an “energy efficiency obligation”).
- (2) In this section “energy efficiency target” means a target for the promotion of improvements in energy efficiency, that is to say, efficiency in the use by consumers of gas conveyed through pipes, electricity or any other source of energy which is specified in the order.
- (3) An order under this section may specify criteria by reference to which the Authority is to determine energy efficiency targets for the gas transporters and gas suppliers on whom obligations are imposed by the order.
- (4) The Secretary of State and the Authority 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 energy efficiency 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 an energy efficiency target;
 - (c) as to the method by which improvements in energy efficiency attributable to any qualifying action are to be assessed;
 - (d) requiring transporters and suppliers to give to the Authority specified information, or information of a specified nature, about their proposals for complying with their energy efficiency obligations;
 - (e) requiring the Authority to determine—
 - (i) whether any proposed action qualifies for the purpose of achieving the whole or any part of a person’s energy efficiency target; and

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- (ii) if so, what improvement in energy efficiency is to be attributed for that purpose to the proposed action or to any result of that action specified in the determination; and
 - (f) requiring transporters or suppliers to produce to the Authority evidence of a specified kind demonstrating that they have complied with their energy efficiency obligations.
- (6) The order may make provision authorising the Authority 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 energy efficiency 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 energy efficiency target may be altered during the period to which the order relates;
 - (b) the whole or any part of a person's energy efficiency 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 energy efficiency target may be transferred to another gas transporter or gas supplier or to an 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 energy efficiency target for the period to which the order relates to a subsequent period.
- (8) The order may—
 - (a) provide for exceptions from any requirement of the order;
 - (b) provide that any specified requirement contained in it is to be treated as a relevant requirement for the purposes of this Part;
 - (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.
- (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.

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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.]

Textual Amendments

F308 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)

Modifications etc. (not altering text)

C33 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.

[^{F310}**33C Information with respect to levels of performance.** **E+W+S**

- (1) The Director shall from time to time collect information with respect to—
 - (a) the compensation made by [^{F311}gas suppliers]] under section 33A above;
 - (b) the levels of overall performance achieved by [^{F311}gas suppliers] in connection with the provision of gas supply services; ^{F312} . . .
 - ^{F312}(c)

[^{F313}(1A) The Authority shall from time to time collect information with respect to—

- (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 [^{F314}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 [^{F315}section 33B ^{F316} . . .], such information with respect to the level of performance achieved by the supplier as [^{F317}the Authority may direct].

[^{F318}(2A) At such times as the Authority may direct, each gas transporter shall give the following 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

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(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)

^{F319}(4)

^{F319}(5)

Textual Amendments

- F310** 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.
- F311** 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](#)
- F312** 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](#))
- F313** 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](#))
- F314** 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](#)
- F315** 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](#)
- F316** 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](#))
- F317** 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](#))
- F318** 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](#))
- F319** 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](#))

^{F320}**33D Information to be given to customers about overall performance.** **E+W+S**

- (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.]

Status: Point in time view as at 01/12/2004.

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Textual Amendments

F320 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)

[^{F321}**33D** **Publication of statistical information about standards of performance.** **E+W+S**]

- (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) energy efficiency obligations imposed by order under section 33BC; 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

F321 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)

[^{F322}**33E** **E+W+S**]

Textual Amendments

F322 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. I 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)

[^{F323} *Service standards and remuneration*]

Textual Amendments

F323 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)

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33F ^{F324} **Remuneration and service standards.** **E+W+S**

- (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.
- (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—

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- (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;

“company” means a company within the meaning of the ^{M11}Companies Act 1985 which is limited by shares;

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

- (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

F324 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)

Marginal Citations

M11 1985 c. 6.

Other functions of Director

34 General functions. **E+W+S**

(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

- ^{F325}(a) such activities as are mentioned in section 5(1) above; 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

- ^{F326}(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.

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- (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 [^{F327}the Office of Fair Trading] to do so, to give information, advice and assistance to the Secretary of State or [^{F328}the Office of Fair Trading] with respect to any matter in respect of which any function of the Director [^{F329}or the Secretary of State.] is exercisable.
- [^{F330}(5) The Director shall have power to make agreements with the Health and Safety Commission for the Director to perform on behalf of that Commission or the Health and Safety Executive (with or without payment) any of the functions of that Commission or, as the case may be, that Executive.]

Textual Amendments

- F325** 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**
- F326** 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**
- F327** 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.)
- F328** 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.)
- F329** 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**
- F330** S. 34(5) inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 40(4)**; S.I. 1996/218, **art. 2**

[^{F331}35 Publication of advice and information about consumer matters. **E+W+S**

- (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
- ^{F332}(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.]

Status: Point in time view as at 01/12/2004.

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Textual Amendments

- F331** 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)
- F332** 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.)

36 Keeping of register. **E+W+S**

- [^{F333}(1) The Director shall keep a register of notifications and directions under [^{F334}paragraph 5 of Schedule 2A to this Act], exemptions granted under section 6A above to particular persons, [^{F335}licences under section 7 [^{F336}, 7ZA] or 7A] above [^{F337}, 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 [^{F338}subsection (2A) and to] any direction given under subsection (3) below, the Director shall cause to be entered in the register the provisions of—
- every notification or direction under [^{F339}paragraph 5 of Schedule 2A to this Act];
 - every exemption granted under section 6A above to a particular person and every revocation of such exemption;
 - every revocation [^{F340} . . . of an exemption granted under that section to persons of a particular class [^{F341} and every direction under [^{F342}subsection (7)] of that section];
 - every [^{F343}licence under section 7 [^{F344}, 7ZA] or 7A] above and every modification or revocation of, and every direction or consent given or determination made under, [^{F345}such a licence]; and
 - every final or provisional order, every revocation of such an order and every notice under section 28(6) above][^{F346}; and.
 - every notice under section 30A(5).]
- [^{F347}(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—
- 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
 - 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.

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- (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

- F333** S. 36(1)(2) substituted (31.10.1994) by 1993 c. 1, s. 3; S.I. 1994/2568, art. 2
- F334** 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
- F335** 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
- F336** 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
- F337** 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)
- F338** 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
- F339** 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
- F340** 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**
- F341** 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
- F342** 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)
- F343** 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
- F344** 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
- F345** 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
- F346** 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)
- F347** 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] ^{F348} Functions with respect to competition. **E+W+S**

^{F349}(1)

- [^{F350}(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

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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).]

^{F351} [The Authority shall be entitled to exercise, concurrently with the Office of Fair ^{F352}(3) 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,
- (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 ^{F353}the Office of Fair Trading] are to be read as including a reference to the Director (^{F354}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 ^{F355}(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).

^{F356}(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 ^{F357}Competition Commission] in carrying out an investigation on a reference made to them by the Director by virtue of subsection (2) ^{F358}. . . 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.

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- (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) [^{F359}Part 4 of the Enterprise Act 2002] ; or
- [^{F360}(b) Part I of the Competition Act 1998 ([^{F361}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 [^{F362}the Office of Fair Trading] .
- [^{F363}(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 references in section 117(1)(a) and (2) to the Office of Fair Trading included references to the Authority.]
- ^{F364}(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 [^{F365}[^{F366}exercisable by the Authority by virtue of subsection (2) or (3) above] .].

Textual Amendments

- F348** S. 36A inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 43**; S.I. 1996/218, **art. 2**
- F349** 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.)
- F350** 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.
- F351** 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)**
- F352** 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.**
- F353** 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.)
- F354** 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)**
- F355** 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.
- F356** 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.
- F357** Words in s. 36A(6)(8) substituted (1.4.1999) by S.I. 1999/506, **art. 20(b)**
- F358** 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.**
- F359** 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.
- F360** 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.**
- F361** 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)**

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- F362** 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.)
- F363** 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.
- F364** 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.
- F365** 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.
- F366** 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.

Modifications etc. (not altering text)

- C35** 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.

[^{F367}**36B Functions with respect to gas measuring equipment etc.** **E+W+S**

- (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 ^{M12}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

- F367** 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

- M12** 1985 c.72.

[^{F368}**37 Maximum prices for reselling gas.** **E+W+S**

- (1) The Director [^{F369}may] from time to time direct that the maximum prices at which gas supplied by [^{F369}authorised suppliers] may be resold—
- (a) shall be such as may be specified in the direction; or
 - (b) 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—

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- (a) require any person who resells gas supplied by a ^{F370}[an authorised supplier] to furnish the purchaser with such information as may be specified or described in the direction; and
 - (b) 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 ^{F370}[an authorised supplier] at a price exceeding the maximum price determined by or under a direction under this section and applicable to the resale—
- (a) the amount of the excess; and
 - (b) 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

F368 S. 37 substituted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 45**; S.I. 1996/218, **art. 2**

F369 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)

F370 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. **E+W+S**

- (1) Where it appears to the ^{F371}[Authority] that a ^{F372}[licence holder] may be contravening, or may have contravened, any relevant condition or requirement ^{F373}[or may be failing, or may have failed, to achieve any standard of performance prescribed under section 33A or 33AA,], the ^{F371}[Authority] may, for any purpose connected with the exercise of ^{F374}[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 ^{F371}[Authority] or to any person appointed by ^{F375}[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 ^{F371}[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;

^{F376} . . .

- ^{F377}(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 ^{F378}[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—

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- (a) require the licence holder 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 licence holder 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) [^{F379}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 [^{F380}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) [^{F379}or (1A)]above, the court may, on the application of the Director, make such order as the 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

- F371** 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)
- F372** Words in s. 38(1) substituted (1.3.1996) by 1995 c. 45, s. 10(1), Sch. 3 para. 46(1)(a); S.I. 1996/218, art. 2
- F373** 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)
- F374** 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)
- F375** 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)
- F376** 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
- F377** 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

Status: Point in time view as at 01/12/2004.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 21 July 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)

- F378** 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)
- F379** 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
- F380** 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)

[^{F381} **38A Reasons for decisions.** **E+W+S**

- (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.]

Textual Amendments

- F381** 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)

Status: Point in time view as at 01/12/2004.

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Textual Amendments

F382 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

^{F383}**40** **E+W+S**

Textual Amendments

F383 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)

^{F384}**41** **E+W+S**

Textual Amendments

F384 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)

[^{F385} Adjustment of charges]

Textual Amendments

F385 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)

[^{F386}**41A Adjustment of charges to help disadvantaged groups of customers.** **E+W+S**

- (1) If the Secretary of State considers that members of any group (a “disadvantaged group”) of customers of authorised suppliers are treated less favourably than other customers of theirs as respects charges for gas, he may make an order containing a scheme for the adjustment of charges for gas with a view to eliminating or reducing the less favourable treatment.
- (2) The scheme may include—
 - (a) provision for the adjustment of charges by authorised shippers or authorised transporters (as well as by suppliers); and
 - (b) in relation to charges payable to suppliers, provision for the adjustment of charges payable by customers who are not members of the disadvantaged group (as well as by persons who are).
- (3) The scheme shall—
 - (a) describe the disadvantaged group;
 - (b) specify the persons whose charges are covered by the scheme; and

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- (c) set out the basis of the adjustment of the charges.
- (4) If the scheme does not relate to the whole of Great Britain, it shall specify the area or areas to which it relates.
- (5) The scheme may—
 - (a) require authorised suppliers, authorised shippers or authorised transporters to supply information of any specified description, in any specified form, to any other such persons; and
 - (b) provide for the modification of conditions of licences, for the purpose of facilitating the implementation of the scheme.
- (6) 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

F386 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)

[^{F387} 41B Orders: supplementary. **E+W+S**

- (1) Before making an order under section 41A, the Secretary of State shall give notice—
 - (a) stating that he proposes to make an order and setting out its effect;
 - (b) stating the reasons why he proposes to make the order; 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 order may be made,
 and shall consider any representations or objections which are duly made and not withdrawn.
- (2) The notice shall be given—
 - (a) by serving a copy of it on the persons whose charges are covered by the proposed order; and
 - (b) by publishing it in such manner as the Secretary of State considers appropriate for bringing the proposed order to the attention of other persons likely to be affected by it.
- (3) An order under section 41A shall continue in force for such period not exceeding three years as is specified in the order; but that does not prevent the making of another order to come into force at the end of that period.
- (4) The Secretary of State may by order require authorised suppliers, authorised shippers or authorised transporters to supply information of any specified description, in any specified form, to any other such persons for the purpose of enabling the making of an order under section 41A.
- (5) The Authority—
 - (a) shall monitor the effect of orders under section 41A and report its findings to the Secretary of State whenever he directs it to do so; and

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- (b) may require authorised suppliers, authorised shippers or authorised transporters to supply to the Authority, in any specified form, such information as it requires for carrying out that duty.
- (6) In section 41A references to customers do not include customers of a description excluded by an order made by the Secretary of State.
- (7) In this section and section 41A “authorised shipper” means a person authorised by a licence or exemption to arrange with any gas transporter for gas to be introduced into, conveyed by means of, or taken out of a pipe-line system operated by that transporter.]

Textual Amendments

F387 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)

[^{F388} Alteration of activities requiring licence]

Textual Amendments

F388 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 [^{F389} Power to alter activities requiring licence.] **E+W+S**

- (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.

Status: Point in time view as at 01/12/2004.

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- (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

F389 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)

[^{F390}41D Application by Authority for order including new activities. E+W+S

- (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.

Status: Point in time view as at 01/12/2004.

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- (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

F390 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)

[^{F391} 41E References to Competition Commission. **E+W+S**

- (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.
- (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

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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).

^{F392}(7)

^{F392}(8)]

Textual Amendments

F391 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)

F392 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)

[^{F393}41E] **References under section 41E: time limits** **E+W+S**

- (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.
- (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.]

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Textual Amendments

F393 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)

[^{F393} 41E] **References under section 41E: application of Enterprise Act 2002** **E+W+S**

- (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 [^{F394}“the OFT, OFCOM,”] and “or the Secretary of State” were omitted.
- (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.]

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Textual Amendments

- F393** 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)
- F394** 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)

[^{F395} 41F Reports on references. **E+W+S**

- (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
- ^{F396}(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.]
- [^{F397}(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.
 - (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

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- (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

- F395** 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)
- F396** 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)
- F397** 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)

[^{F398}41G Application by Authority for order excluding activities. **E+W+S**

- (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.]

Status: Point in time view as at 01/12/2004.

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Textual Amendments

F398 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)

[^{F399}**41H Consultation by Secretary of State about order excluding activities.** **E+W+S**]

- (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

F399 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)

[^{F400}**41I Service by Authority of certain notices on Council.** **E+W+S**]

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

F400 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

^{F401}**42** **E+W+S**

Textual Amendments

F401 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)

Status: Point in time view as at 01/12/2004.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 21 July 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)

43 Making of false statements etc. **E+W+S**

(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.

[^{F402}(1A) Any person who with intent to deceive—

- (a) impersonates an officer of a [^{F403}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.]

(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

F402 S. 43(1A) inserted (1.3.1996) by 1995 c. 45, s. 10(1), **Sch. 3 para. 51**; S.I. 1996/218, **art. 2**

F403 Words in s. 43 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**)

44 Compensation to chairmen and officers of Consumers' Councils. **E+W+S**

(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.

Status: Point in time view as at 01/12/2004.

Changes to legislation: Gas Act 1986 is up to date with all changes known to be in force on or before 21 July 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)

Supplemental

45 Offences by bodies corporate. **E+W+S**

- (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.

^{F404}46 Service of notices etc. **E+W+S**

- (1) ^{F405} . . . 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;
 - (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.
- ^{F406}(2) Without prejudice to subsection (1) above, where this subsection applies in relation to a [^{F407}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 [^{F407}gas transporter] if he divides [^{F408}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.

Status: Point in time view as at 01/12/2004.

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- (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

- F404** 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))
- F405** 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
- F406** 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
- F407** 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)
- F408** 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. **E+W+S**

- (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 [^{F409}before and be heard by] the Secretary of State, the Director and other authorities; and
 - (d) as to awarding costs [^{F410}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—
- [^{F411}(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;]

Status: Point in time view as at 01/12/2004.

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- (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 [^{F412}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.
- [^{F413}(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 [^{F414}, 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.
- [^{F415}(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

- F409** 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.
- F410** 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.
- F411** 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](#)
- F412** 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](#)
- F413** 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](#)
- F414** 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](#)
- F415** 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)

- C36** 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](#))

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48 Interpretation of Part I and savings. **E+W+S**

(1) In this Part, unless the context otherwise requires—

“authorised area”, in relation to a [^{F416}gas transporter], has the meaning given by section 7(2) above;

[^{F417}“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;]

[^{F418}“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;

^{F419}

“declared calorific value” has the meaning given by section 12(2) above;

“distribution main”, in relation to a [^{F416}gas transporter], means any main of the [^{F420}transporter] through which the [^{F420}transporter] is for the time being distributing gas and which is not being used only for the purpose of conveying gas in bulk;

^{F421}

[^{F422}“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;

“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;

[^{F423}“gas interconnector” has the meaning given by section 5(8);]

[^{F424}“gas supplier” and “gas shipper” have the meanings given by section 7A(11) above;]

“holding company” [^{F425}has the meaning given by section 736 of] the ^{M13}Companies Act 1985;

“information” includes accounts, estimates and returns;

[^{F426}“kilowatt hour” means 3.6 megajoules;]

[^{F427}“licence” means a licence under section 7 [^{F428}, 7ZA] or 7A and “licence holder” shall be construed accordingly;]

^{F429}

“notice” means notice in writing;

[^{F430}“officer”, in relation to any person, includes any servant or agent of that person, and any officer or servant of such an agent;

“owner”, in relation to any premises or other property, includes a lessee, and cognate expressions shall be construed accordingly;]

“prescribed” means prescribed by regulations [^{F431}made, unless the context otherwise requires, by the Secretary of State];

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[^{F432cc}[^{F416}gas transporter]] has the meaning given by section 7(1) above;]
^{F433}

^{F434}[“service pipe” means a pipe, other than a distribution main of a [^{F416}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 [^{F416}gas transporter];

“subsidiary” [^{F425}has the meaning given by section 736 of] the Companies Act 1985;

^{F435}

^{F436}

[^{F437}(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 [^{F438}to the supply of gas (directly or indirectly) to a [^{F416}gas transporter], gas supplier or gas shipper].

[^{F439}(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 ^{M14}Pensions Act 1995); or
- (b) in the case of a man born before 6th April 1955, he is the same age as a woman who has attained pensionable age (within the meaning so given).

^{F440}(3)

^{F440}(4)]

Textual Amendments

F416 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)

F417 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)

F418 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)

F419 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)

F420 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

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- F421** 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)
- F422** 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)
- F423** 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
- F424** 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**
- F425** 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. 1990/1392 **art. 2(d)**)
- F426** Definition in s. 48(1) inserted (1.4.1992) by S.I. 1992/450, **reg. 3(2)**.
- F427** 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)
- F428** 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
- F429** Words in s. 48(1) repealed (1.4.1999) by S.I. 1999/506, **art. 20(d)**
- F430** 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**
- F431** 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**
- F432** 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**
- F433** 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**
- F434** 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**
- F435** 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**
- F436** Definition of “therm” in s. 48(1) omitted (1.1.2000) by virtue of S.I. 1992/450, **reg. 3(5)(e)**.
- F437** 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**
- F438** 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**
- F439** 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**
- F440** 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)

- C37** S. 48(1) amended (temp. until 31.12.1999) (1.4.1992) by S.I. 1992/450, **reg. 3(4)(b)**.

Marginal Citations

- M13** 1985 c. 6.
M14 1995 c.26.

Status: Point in time view as at 01/12/2004.

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PART II **U.K.**

TRANSFER OF UNDERTAKING OF CORPORATION

Modifications etc. (not altering text)

C38 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. **U.K.**

- (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”).
- (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 ^{M15}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 ^{M16}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 ^{M17}Northern Ireland Assembly Disqualification Act 1975.

Modifications etc. (not altering text)

C39 24.8.1986 appointed for the purposes of section 49(1) by **S.I. 1986/1318**

Marginal Citations

M15 1985 c. 6.

Status: Point in time view as at 01/12/2004.

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M16 1975 c. 24.

M17 1975 c. 25.

50 British Gas Stock. U.K.

(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 ^{M18}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.

^{F441}(3)

^{F441}(4)

^{F441}(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 ^{M19}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 ^{M20}Gas Act 1948.

Textual Amendments

F441 S. 50(3)-(5) repealed (22.7.2004) by [Statute Law \(Repeals\) Act 2004 \(c. 14\)](#), [Sch. 1 Pt. 5](#) Group 7

Marginal Citations

M18 1968 c. 13.

M19 1955 c. 6. (4 & 5 Eliz. 2.)

M20 1948 c. 67.

51 Initial Government holding in the successor company. E+W+S

(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—

Status: Point in time view as at 01/12/2004.

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- (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 the ^{M21}Companies Act 1985 as if they had been paid up by virtue of the payment to the successor company of their nominal value in cash.
- (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) F442

Textual Amendments
 F442 Ss. 51(7), 52(5) repealed by Finance Act 1988 (c. 39, SIF 114), s. 148, Sch. 14 Pt. XI

Marginal Citations
 M21 1985 c. 6.

52 Government investment in securities of the successor company. E+W+S

- (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) F443

Status: Point in time view as at 01/12/2004.

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Textual Amendments

F443 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. **E+W+S**

- (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, 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. **E+W+S**

- (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,

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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.** E+W+S

- (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 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 section 264(3)(d) of the ^{M22}Companies Act 1985; 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 section 264(3)(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.

Status: Point in time view as at 01/12/2004.

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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 ^{M23}Companies Act 1985 (including group accounts); and in this section “complete financial year ” means a financial year ending with 31st March.

Marginal Citations

- M22** 1985 c. 6.
M23 1985 c. 6.

56 Temporary restrictions on successor company’s borrowings etc. E+W+S

- (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.

^{F444}**57 Dissolution of the Corporation. E+W+S**

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Textual Amendments

- F444** S. 57 repealed (22.7.2004) by Statute Law (Repeals) Act 2004 (c. 14), Sch. 1 Pt. 5 Group 7

58 ^{F445} U.K.

Textual Amendments

- F445** S. 58 repealed by Financial Services Act 1986 (c. 60, SIF 69), s. 212(3), Sch. 17 Pt. 1

Status: Point in time view as at 01/12/2004.

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59 Application of Trustee Investments Act 1961 in relation to investment in the successor company. E+W+S

- (1) For the purpose of applying paragraph 3(b) of Part IV of Schedule 1 to the ^{M24}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—
 - (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
M24 1961 c. 62.

60 Tax provisions. E+W+S

- (1) The successor company shall be treated—
 - (a) for all purposes of corporation tax and petroleum revenue tax; 165, Sch. 27 ^{F446}
 - ^{F446}(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 [^{F447}170(12) of the Taxation of Chargeable Gains Act 1992] (bodies established for carrying on industries or undertakings under national ownership or control).
- [^{F448}(3) For the purposes of Part VI of the ^{M25}Income and Corporation Taxes Act 1988 (company distributions) and Chapter II of Part IV of the Finance Act 1996 (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.]
- ^{F449}(4)

Textual Amendments
F446 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
F447 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)).
F448 S. 60(3) substituted (29.4.1996) by 1996 c. 8, s. 104, Sch. 14 para. 4 (with ss. 80-105)

Status: Point in time view as at 01/12/2004.

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F449 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

M25 1988 c. 1.

61 Interpretation etc. of Part II. **E+W+S**

(1) In this Part—

“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 ” [^{F450}has the meaning given by section 736 of] the ^{M26}Companies Act 1985.

(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

F450 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)**)

Marginal Citations

M26 1985 c. 6.

PART III **U.K.**

MISCELLANEOUS AND GENERAL

62 Exclusion of certain agreements from Restrictive Trade Practices Act 1976. **U.K.**

(1) The ^{M27}Restrictive Trade Practices Act 1976 shall not apply, and that Act and the ^{M28}Restrictive Trade Practices Act 1956 shall be deemed never to have applied, to any agreement which—

(a) was made before 28th November 1985; and

(b) was an agreement containing provisions relating to, or to activities connected with, the supply at a relevant place or to the Corporation of gas won under the authority of a petroleum production licence.

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- (2) The said Act of 1976 shall not apply, and shall be deemed never to have applied, to any agreement which—
- (a) is or was made on or after 28th November 1985;
 - ^{F451}(b) is or was an agreement containing provisions relating to, or to activities connected with, the supply otherwise than under a licence granted under section 7A(1) above ^{F452}or Article 8(1)(c) of the Gas (Northern Ireland) Order 1996]of gas won under the authority of a petroleum production licence;]
 - (c) satisfies such other conditions as may be specified in an order made by the Secretary of State.
- ^{F453}(2A) The said Act of 1976 shall not apply, and shall be deemed never to have applied, to any agreement which—
- (a) is or was made on or after 2nd March 1995;
 - (b) is or was an agreement containing provisions relating to, or to activities connected with—
 - (i) the introduction of gas into;
 - (ii) the taking out of gas from; or
 - (iii) the use by gas shippers of,

a pipe-line system or storage facility operated by a ^{F454}gas transporter]; and
 - (c) is specified, or is of a description specified, in an order made by the Secretary of State and satisfies such conditions as may be so specified.
- [If immediately before the commencement of paragraph 2 of Schedule 6 to the ^{F455}(2AB) Utilities Act 2000 (substitution of “gas transporter ” for “public gas transporter ”) subsection (2A) applies to an agreement, that subsection continues to apply to that agreement notwithstanding the substitution.]
- (2B) Before making an order under subsection (2) or (2A) above, the Secretary of State shall consult the Director and ^{F456}the Office of Fair Trading] .]
- (3) The conditions specified in an order under subsection (2) ^{F457}or (2A)]above may include—
- (a) conditions which are to be satisfied in relation to a time before the coming into force of this section;
 - (b) conditions which refer any matter (which may be the general question whether the said Act of 1976 should apply to a particular agreement) to the Secretary of State ^{F458}, the Director or ^{F456}the Office of Fair Trading]] for determination after such consultation as may be so specified.
- (4) Any modification on or after 28th November 1985 of any agreement made before that date shall—
- (a) if it relates exclusively to the identities of the parties to the agreement, be treated for the purposes of this section and the said Act of 1976 as a modification before that date; and
 - (b) in any other case, be treated for those purposes in relation to the original agreement as a separate agreement;
- and, accordingly, in neither case shall the modification be capable of having the effect of requiring an agreement made before that date to be treated for those purposes as an agreement made on or after that date.

Status: Point in time view as at 01/12/2004.

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(5) For the purposes of this section, the following in particular, that is to say, exploration for gas and the production, transport and treatment of gas shall be regarded as activities connected with the supply of gas.

(6) In this section—

“gas ” means substance which is or (if it were in a gaseous state) would be gas within the meaning of Part I of this Act;

[^{F459} “gas shipper ” and “[^{F454} gas transporter ”] have the same meanings as in Part I of this Act;]

“petroleum production licence ” means a licence granted under the ^{M29}Petroleum (Production) Act 1934 [^{F460}, Part I of the Petroleum Act 1998] or the ^{M30}Petroleum (Production) Act (Northern Ireland) 1964 or any corresponding licence granted under the law of a country or territory outside the United Kingdom;

“relevant place ”, in relation to any gas won under the authority of a petroleum production licence, means—

- (a) in the case of gas won at a place in the United Kingdom, that place or any place within one mile from that place;
- (b) in the case of gas won at a place outside the United Kingdom and landed at a place in the United Kingdom, any place outside the United Kingdom, the place of landing or any place within one mile from the place of landing;

and expressions which are also used in the said Act of 1976 have the same meanings as in that Act.

^{F461}(7)

Textual Amendments

- F451** S. 62(2)(b) substituted (8.11.1995) by 1995 c. 45, s. 11(1)
- F452** Words in s. 62(2)(b) inserted (N.I.) (10.6.1996) by S.I. 1996/275 (N.I. 2), art. 71(1), Sch. 6; S.R. 1996/216, art. 2 (subject to transitional provisions in arts. 3, 4)
- F453** S. 62(2A)(2B) inserted (8.11.1995) by 1995 c. 45, s. 11(2)
- F454** Words in s. 62 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)
- F455** S. 62(2AB) inserted (1.10.2001) by 2000 c. 27, s. 108, Sch. 6 Pt. I para. 20; S.I. 2001/3266, art. 2, Sch. (subject to transitional provisions in arts. 3-20)
- F456** Words in s. 62 substituted (1.4.2003) by Enterprise Act 2002 (c. 40), s. 279, Sch. 25 para. 15(14); S.I. 2003/766, art. 2, Sch. (with art. 3) (as amended (20.7.2007) by S.I. 2007/1846, reg. 3(2), Sch.)
- F457** Words in s. 62(3) inserted (8.11.1995) by 1995 c. 45, s. 11(3)(a)
- F458** Words in s. 62(3) inserted (8.11.1995) by 1995 c. 45, s. 11(3)(b)
- F459** Words in s. 62(6) inserted (8.11.1995) by 1995 c. 45, s. 11(4)
- F460** Words in s. 62(6) inserted (15.2.1999) by 1998 c. 17, s. 50, Sch. 4 para. 22 (with Sch. 3 para. 51); S.I. 1999/161, art. 2(1)
- F461** S. 62(7) repealed (8.11.1995) by 1995 c. 45, ss. 11(5), 17(5), Sch. 6

Modifications etc. (not altering text)

- C40** S. 62(2) modified (8.11.1995 with effect as mentioned by Sch. 5 Pt. II para. 30(1) of the amending Act) by 1995 c. 45, s. 17(1), Sch. 5 Pt. II para. 30(1); S.I. 1996/218, art. 2
- C41** S. 62(2A) modified (8.11.1995 with effect as mentioned by Sch. 5 Pt. II para. 30(2) of the amending Act) by 1995 c. 45, s. 17(1), Sch. 5 Pt. II para. 30(2); S.I. 1996/218, art. 2

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Marginal Citations

- M27** 1976 c. 34.
M28 1956 c. 68.
M29 1934 c. 36.
M30 1964 c. 28.(N.I.).

^{F462}**63** **U.K.**

Textual Amendments

- F462** 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**

64 Provisions as to orders. **E+W+S**

- (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 [^{F463}23, 30A, 33BC, 41A, 41C]. . . , 49(2) or 57(2) above, shall be subject to annulment in pursuance of a resolution of either House of Parliament.

Textual Amendments

- F463** 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)

65 Financial provisions. **E+W+S**

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. **U.K.**

In this Act, unless the context otherwise requires—

- “the 1972 Act ” means the ^{M31}Gas Act 1972;
 - “the appointed day ” has the meaning given by section 3 above;
 - [^{F464} “the Authority ” means the Gas and Electricity Markets Authority;]
 - “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;
 - [^{F465} “the Council ” means the Gas and Electricity Consumer Council;]
- ^{F466} . . .

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“modifications ” includes additions, alterations and omissions and cognate expressions shall be construed accordingly;

“subordinate legislation ” has the same meaning as in the ^{M32}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

F464 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](#))

F465 Definition of “the Council ” in s. 66 inserted (7.11.2000) by 2000 c. 27 s. 108, Sch. 6 Pt. I para. 22(b); [S.I. 2000/2974, art. 2, Sch.](#) (subject to transitional provisions in [arts. 3-12](#))

F466 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

M31 1972 c. 60.

M32 1978 c. 30.

67 Amendments, transitional provisions, savings and repeals. **U.K.**

- (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 ^{M33}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.

Marginal Citations

M33 1978 c. 30.

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68 Short title, commencement and extent. E+W+S

- (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 ^{M34}House of Commons Disqualification Act 1975,
 does not extend to Northern Ireland.

Modifications etc. (not altering text)

C42 Power of appointment conferred by s. 68(5) fully exercised: [S.I. 1986/1315](#), 1809

Marginal Citations

M34 [1975 c. 24](#).

Status:

Point in time view as at 01/12/2004.

Changes to legislation:

Gas Act 1986 is up to date with all changes known to be in force on or before 21 July 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.