



Gas Act 1986

1986 CHAPTER 44

PART I

GAS SUPPLY

Use by other persons of pipe-lines belonging to public gas suppliers

19 Acquisition of rights to use pipe-lines

- (1) In the case of a pipe-line belonging to a public gas supplier, any person may, after giving the public gas supplier not less than 28 days' notice, apply to the Director for directions under this section which would secure to the applicant a right to have conveyed by the pipe-line, during a period specified in the application, quantities so specified of gas which
 - (a) is of a kind so specified ; and
 - (b) is of, or of a kind similar to, the kind which the pipeline 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; and
 - (c) in the case of a decision that the application is to be considered further, to give the supplier notice that it 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 conveyance by the pipe-line of—
 - (a) the quantities of gas which the public gas supplier requires or may reasonably be expected to require to be conveyed by the pipe-line in order to secure the

Status: This is the original version (as it was originally enacted).

performance by the supplier of his duties under sections 9(1) and 10(1) above and his contractual obligations; and

- (b) the quantities of gas which any person who has a right to have gas conveyed by the pipeline is entitled to require to be so conveyed in the exercise of that right,

the Director may give such directions to the supplier.

(4) Directions under this section may—

- (a) specify the terms on which the Director considers the public gas supplier 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 during the period specified in the directions the quantities so specified of gas which is of the 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 regulating the terms on which the supplier will supply gas to the applicant where the applicant's exercise of the right is temporarily interrupted by his inability to obtain gas from other sources;
 - (v) for securing to the applicant the right to have a pipe-line of his connected to the pipe-line by the supplier;
- (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 supplier, 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 public gas supplier 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 supplier in administering, maintaining and operating his pipe-line system ; and
- (b) a return equal to the appropriate proportion of the return received by the supplier (otherwise than by virtue of the right) on the capital value of that system (including so much of that return as is set aside to meet the need from time to time to renew that system).

(6) In subsection (5) above " the appropriate proportion" means such proportion as properly—

- (a) reflects the use made of the public gas supplier's pipeline 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 (whether by the applicant or by any other person) in pursuance of directions under section 20(4) or 21(1) below.

(7) Where directions under this section require the public gas supplier to accept an obligation to supply gas to any person, the obligation shall be to supply gas to that person only in circumstances where to do so would not prejudice the performance by the supplier of such of his duties under sections 9(1) and 10(1) above, and of his contractual obligations, as fall to be performed otherwise than on the temporary

interruption of the exercise of a right conferred in pursuance of those directions or of any other directions under this section.

- (8) An authorisation under section 7 above may include such conditions as appear to the Secretary of State requisite or expedient having regard to the provisions of this section and sections 20 and 21 below; and subsection (8) of section 7 above shall apply for the purposes of this subsection as it applies for the purposes of subsection (7)(a) of that section.
- (9) Any reference in this section to a right to have a quantity of gas of any kind conveyed by a pipe-line is a reference to a right
- (a) to introduce that quantity of gas of that kind at one point in the pipe-line ; and
 - (b) to take off such quantity as may be appropriate of gas of, or of a kind similar to, that kind at another point in the pipe-line.
- (10) In this section and sections 20 and 21 below " pipe-line " has the same meaning as in the Pipe-lines Act 1962.