

2012 No. 949

OFFSHORE INSTALLATIONS

**The Offshore (Oil and Gas) Installation and Pipeline
Abandonment Fees Regulations 2012**

<i>Made</i> - - - -	<i>26th March 2012</i>
<i>Laid before Parliament</i>	<i>29th March 2012</i>
<i>Coming into force</i> - -	<i>20th April 2012</i>

In exercise of powers conferred by section 39 of the Petroleum Act 1998^(a) and with the consent of the Treasury, the Secretary of State makes the following Regulations.

In accordance with section 39(5) of that Act the Secretary of State has consulted organisations in the United Kingdom appearing to the Secretary of State to be representative of those persons who will be affected by the Regulations.

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Offshore (Oil and Gas) Installation and Pipeline Abandonment Fees Regulations 2012.

(2) They come into force on 20th April 2012.

(3) In these Regulations a reference to a section by number alone is to that section of the Petroleum Act 1998.

(4) In these Regulations—

“abandonment programme” has the meaning given by section 29(1);

“carbon capture and storage pipeline” means a submarine pipeline—

(a) which is used for the purposes of an activity mentioned in section 17(2)(a), (b) or (c) of the Energy Act 2008^(b); or

(b) which is not being used for any purpose but which is intended to be used for the purposes of such an activity;

“carbon storage installation” has the meaning given by section 30(5) of the Energy Act 2008;

“proposal to revise an abandonment programme” means a proposal of any of the kinds referred to in section 34(1);

“section 29 fee” means a fee payable under section 29(5) by a person who submits an abandonment programme to the Secretary of State;

“section 34 fee” means a fee payable under section 34(4) by a person who gives notice of a proposal to revise an abandonment programme.

(a) 1998 c.17.

(b) 2008 c.32.

Application

2. These Regulations apply in relation to any abandonment programme or proposal to revise an abandonment programme, except for such a programme or proposal which relates solely to—

- (a) a carbon storage installation; or
- (b) a carbon capture and storage pipeline.

Request to the Secretary of State to determine a fee

3.—(1) Before a person (“X”)—

- (a) submits an abandonment programme; or
- (b) gives notice of a proposal to revise an abandonment programme,

X must make a request to the Secretary of State to determine a section 29 fee or a section 34 fee.

(2) A request under paragraph (1) must be in writing and include a draft of the abandonment programme or proposal which X proposes to submit, containing sufficient information to enable the Secretary of State to determine the fee payable.

(3) The Secretary of State must as soon as practicable after receiving the request—

- (a) determine the section 29 fee or the section 34 fee in accordance with regulation 4; and
- (b) notify X in writing of the determination.

Calculation of fee

4.—(1) A section 29 fee or section 34 fee is—

$A \times B$

where—

A is the number of days which the Secretary of State estimates will be required to consider an abandonment programme, or proposal to revise an abandonment programme; and

B is the daily rate multiplied by the number of officers which the Secretary of State estimates will be required to consider the abandonment programme, or proposal to revise an abandonment programme.

(2) In this regulation—

“daily rate” means £300;

“officer” means a person engaged on behalf of the Secretary of State in carrying out any of the functions for which the fees are payable.

Date 26th March 2012

Charles Hendry
Minister of State
Department of Energy and Climate Change

Date 26th March 2012

Michael Fabricant
Angela Watkinson
Two of the Lords Commissioners of
Her Majesty’s Treasury

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision for the Secretary of State to charge a fee when a person responsible for an offshore installation or submarine pipeline submits an abandonment programme or a proposal to revise an abandonment programme.

These Regulations do not apply in respect of a fee payable for carbon capture and storage offshore installations and submarine pipelines (*regulation 2*).

Sections 29(5) and 34(4) of the Petroleum Act 1998 requires that a fee shall be payable at the same time as submission of an abandonment programme or notice of a proposal to revise an abandonment programme. In order for the Secretary of State to determine the fee payable, a person shall first submit a draft abandonment programme or draft proposal to revise an abandonment programme containing sufficient information to enable the Secretary of State to make that determination (*regulation 3*).

Regulation 4 sets out the methodology for setting the fee. The fee is based on the daily rate multiplied by an estimate of the number of officers and an estimate of the number of days required to consider an abandonment programme or a proposal to revise an abandonment programme.

A full impact assessment of the effect that this instrument will have on the costs of business and the voluntary sector is available from the Department of Energy and Climate Change, 3 Whitehall Place, London, SW1A 2AW and is published with the Explanatory Memorandum alongside the instrument on <http://www.legislation.gov.uk>.

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STATUTORY INSTRUMENTS

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