



# Gas Act 1986

## 1986 CHAPTER 44

### PART I

#### GAS SUPPLY

#### *[<sup>F1</sup> Licensing of activities relating to gas]*

#### Textual Amendments

**F1** S. 5 and cross-heading preceding it substituted (1.3.1996) by 1995 c. 45, s. 3; S.I. 1996/218, art. 2

#### 5 <sup>F2</sup>[Prohibition on unlicensed activities]

- (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 [<sup>F3</sup>gas transporter];
  - supplies to any premises gas which has been conveyed to those premises through pipes; or
  - arranges with a [<sup>F3</sup>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.

*Status: Point in time view as at 01/12/2004.*

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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.
- [<sup>F4</sup>(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

- F2** S. 5 and cross-heading substituted (1.3.1996) by 1995 c. 45, s. 3; S.I. 1996/218, art. 2
- F3** 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)
- F4** 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)

- C1** 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)
- C2** 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)
- C3** S. 5(1)(a) excluded (1.12.1996) by S.I. 1996/2795, arts. 3, 4
- C4** 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)
- C5** S. 5(1)(c) modified (8.11.1995) by 1995 c. 45, s. 17(1), Sch. 5 Pt. II paras. 18(1)

*Status: Point in time view as at 01/12/2004.*

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<sup>F5</sup>6 .....

**Textual Amendments**

**F5** S. 6 repealed (1.3.1996) by 1995 c. 45, ss. 3(3), 17(5), **Sch. 6**; S.I. 1996/218, **art. 2**

**[<sup>F6</sup>6A Exemptions from prohibition.**

- (1) The Secretary of State may, <sup>F7</sup> . . . 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—

- <sup>F8</sup>(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—

- <sup>F9</sup>(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
- <sup>F10</sup>(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

- F6** S. 6A substituted (1.3.1996) by 1995 c. 45, s. 4; S.I. 1996/218, art. 2
- F7** 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)
- F8** 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)
- F9** 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)
- F10** 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)

- C6** 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

### [<sup>F117</sup> Licensing of public gas transporters.

- (1) In this Part “[<sup>F12</sup>gas transporter]” means the holder of a licence under this section except where the holder is acting otherwise than for purposes connected with—
- the carrying on of activities authorised by the licence;
  - the conveyance of gas through pipes which—
    - are situated in an authorised area of his; or
    - 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
  - 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—
- to convey gas through pipes to any premises in an authorised area of his, that is to say, [<sup>F13</sup>any area specified in the licence as it has effect for the time being;]
  - to convey gas through pipes either to any pipe-line system operated by another [<sup>F14</sup>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 [<sup>F15</sup>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—
- as if any area or pipe-line system specified in the direction were specified in the licence;
  - 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
  - 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;

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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 <sup>F16</sup>(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 <sup>F17</sup>. . . under this section, the Director shall give notice—
  - (a) stating that he proposes to grant the licence <sup>F17</sup>. . . ;
  - (b) stating the reasons why he proposes to grant the licence <sup>F17</sup>. . . ; and
  - (c) specifying the time from the date of publication of the notice (not being less than two months <sup>F17</sup>. . . ) within which representations or objections with respect to the proposed licence <sup>F17</sup>. . . 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 <sup>F17</sup>. . . ; and
  - (b) by sending a copy of the notice to the Secretary of State, to the Health and Safety Executive and to any [<sup>F14</sup>gas transporter] whose area includes the whole or any part of the area proposed to be specified in the licence <sup>F17</sup>. . . .

<sup>F18</sup>(7) . . . . .

<sup>F18</sup>(8) . . . . .

- (9) As soon as practicable after the granting of a licence under this section, the [<sup>F14</sup>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.

<sup>F19</sup>(11) . . . . . ]

**Textual Amendments**

**F11** S. 7 substituted (1.3.1996) by 1995 c. 45, s. 5; S.I. 1996/218, art. 2

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- F12** 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)
- F13** 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)
- F14** 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)
- F15** 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
- F16** 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)
- F17** 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)
- F18** 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)
- F19** 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)

- C7** 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)
- C8** 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
- C9** 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

#### [<sup>F20</sup>7ZA Licences for operation of gas interconnectors

- (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

- F20** 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)

- C10** 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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## **[<sup>F21</sup>7A Licensing of gas suppliers and gas shippers.**

- (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 [<sup>F22</sup>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 [<sup>F23</sup>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 [<sup>F22</sup>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

- F21** S. 7A inserted (1.3.1996) by 1995 c. 45, s. 6; S.I. 1996/218, art. 2
- F22** 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)
- F23** 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)

- C11** 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)
- C12** 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
- C13** 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)
- C14** 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

#### [<sup>F24</sup>7B Licences: general.

- (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 [<sup>F25</sup>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 <sup>F26</sup>(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 [<sup>F27</sup>sections 4AA, 4AB and 4A];

<sup>F28</sup>(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; <sup>F29</sup> . . .

<sup>F29</sup>(d) .....

[ Without prejudice to the generality of paragraph (a) of subsection (4), conditions <sup>F30</sup>(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 [<sup>F31</sup>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 <sup>F32</sup>. . . 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; <sup>F33</sup>. . .
  - (b) in the case of a licence [<sup>F34</sup>, extension or restriction] under section 7 above, to any public gas transporter whose authorised area [<sup>F35</sup> includes] the whole or any part of the area specified in the licence [<sup>F34</sup>, extension or restriction] [<sup>F36</sup>; 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.]

[<sup>F37</sup>(11) In this section “prescribed” means prescribed in regulations made by the Authority.]

#### Textual Amendments

- F24** S. 7B inserted (1.3.1996) by 1995 c. 45, s. 7; S.I. 1996/218, art. 2
- F25** 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)
- F26** 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)
- F27** 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)
- F28** 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)
- F29** 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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- F30** 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)
- F31** 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)
- F32** 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)
- F33** 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)
- F34** 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)
- F35** 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)
- F36** 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)
- F37** 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)

- C15** S. 7B applied (with modifications) (1.3.1996) by S.I. 1996/399, art. 2(2)
- C16** 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
- C17** 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

#### <sup>F38</sup> Standard conditions of licences.

- (1) Subject to subsections (2) and (3) <sup>F39</sup> . . . , each condition which by virtue of [<sup>F40</sup>section 81(2) of the Utilities Act 2000] is a standard condition for the purposes of—
  - (a) licences under section 7 above;
  - (b) licences under subsection (1) of section 7A above; or
  - (c) 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 [<sup>F41</sup>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—
  - (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

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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
- <sup>F42</sup>(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
- <sup>F43</sup>(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 [<sup>F43</sup>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

- F38** S. 8 substituted (1.3.1996) by 1995 c. 45, s. 8(1); S.I. 1996/218, art. 2
- F39** 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)
- F40** 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)
- F41** 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)
- F42** 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

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**F43** 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)**

**C18** 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

[<sup>F44</sup>8AA Transfer of licences.

- (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

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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**

**F44** 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)

**[<sup>F45</sup>8A Modification or removal of the 25,000 therm limits.**

- (1) The Secretary of State may by order amend [<sup>F46</sup>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.

<sup>F47</sup>(3) .....

<sup>F47</sup>(4) ..... ]

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#### **Textual Amendments**

- F45** 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.
- F46** 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](#)
- F47** 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](#)



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