Status: *Point in time view as at 01/03/1996.*
Changes to legislation: *Gas Act 1995, Cross Heading: Acquisition of rights to use pipe-line systems is up to date with all changes known to be in force on or before 18 May 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)*

SCHEDULES

SCHEDULE 3

OTHER AMENDMENTS OF PART I OF 1986 ACT

Acquisition of rights to use pipe-line systems

16 For section 19 of the 1986 Act there shall be substituted the following section—

" Use by other persons of public gas transporter's pipe-line systems

19 Acquisition of rights to use pipe-line systems.

(1) In the case of a pipe-line system operated by a public 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 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 public 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.

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(4) Directions under this section may—

(a) specify the terms on which the Director considers the public 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 public 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 public 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.

(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."

Status:
Point in time view as at 01/03/1996.

Changes to legislation:
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