



# Gas Act 1995

## 1995 CHAPTER 45

### *Licensing of activities relating to gas*

#### **6 Licensing of gas suppliers and gas shippers.**

(1) After section 7 of the 1986 Act there shall be inserted the following section—

##### **“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 public 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 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,

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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.

- (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 public 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 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.

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- (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.”
- (2) Subject to subsections (3) to (6) below, no domestic supply licence shall authorise the supply of gas to any premises before the relevant date, that is to say, 1st January 1999 or, if the Secretary of State by order so provides, such earlier date (not earlier than 1st January 1998) as may be determined by or under the order.
- (3) Subsection (2) above shall not apply in relation to a domestic supply licence in so far as it relates to—
- (a) any premises to which subsection (4) below applies; or
  - (b) any premises to which that subsection has ceased to apply at any time and which are situated in an area which has not, at that or any later time, ceased to be an authorised area of a particular public gas transporter.
- (4) This subsection applies to any premises at any time if, at that time, the public gas transporter in whose authorised area the premises are situated is an associate of the holder of the domestic supply licence in question.
- (5) Subsection (2) above shall not apply in relation to a domestic supply licence in so far as it relates to any premises to which gas is conveyed otherwise than by a public gas transporter.
- (6) In so far as a domestic supply licence relates to premises which are situated in any area specified in an order made by the Secretary of State, subsection (2) above shall apply in relation to the licence as if for the relevant date there were substituted such earlier date as may be determined, in relation to that area, by or under the order.
- (7) Any reference in this section to a domestic supply licence includes a reference to an extension of such a licence (within the meaning of Part I of the 1986 Act).
- (8) In this section—
- “domestic supply licence” means a licence granted under subsection (1)(a) of section 7A of the 1986 Act, a licence having effect as such a licence by virtue of a direction given under subsection (4)(b) of that section, or a licence treated as so granted by virtue of a scheme made under paragraph 4 or 16 of Schedule 5 to this Act;
- “public gas transporter”, and “authorised area” in relation to such a transporter, have the same meanings as in Part I of that Act.
- (9) For the purposes of this section a public gas transporter is an associate of the holder of a domestic supply licence if—
- (a) both of them are companies registered under the <sup>M1</sup>Companies Act 1985 and are limited by shares; and
  - (b) either one company is wholly owned by the other or both companies are wholly owned by the same person.
- (10) An order under this section may—
- (a) provide for anything falling to be determined under the order to be determined by [<sup>F1</sup>the Authority]; and
  - (b) make such supplementary or incidental provision as the Secretary of State considers necessary or expedient.

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- (11) An order under this section shall be made by statutory instrument which shall be subject to annulment in pursuance of a resolution of either House of Parliament.

**Textual Amendments**

- F1** Words substituted (20.12.2000) by virtue of [Utilities Act 2000 \(c. 27\)](#), **s. 3(2)**; [S.I. 2000/3343](#), **art. 2**, **Sch.**”

**Modifications etc. (not altering text)**

- C1** S. 6(2) applied (2.4.1996) by [S.I. 1996/752](#), **art. 3**

**Marginal Citations**

- M1** [1985 c. 6](#).

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- Sch. 3 para. 42(1)(a)para. 42(2)(a) repealed by [2000 c. 27 Sch. 8](#)