SCHEDULE 2

AMENDMENTS TO GAS ACT 1986

- 6. In section 19E (provisions supplemental to sections 19A to 19D)—
 - (a) in subsection (1) for "sections 19A to 19D" substitute "sections 19A to 19DA";
 - (b) in subsection (1) omit the definition of "LNG";
 - (c) in subsection (1) for the definition of "LNG facility" substitute—
 - ""LNG import facility" means a facility for the following—
 - (a) the importation of liquid gas;
 - (b) the regasification of liquid gas following its importation and prior to its conveyance to a pipeline system operated by a gas transporter; and
 - (c) any temporary storage of liquid gas which is necessary for the operation of the facility;";
 - (d) in subsection (1) in the definition of "main commercial conditions" for paragraph (a) substitute—
 - "(a) in the case of a storage facility, such information as would enable a potential applicant for a right to have gas or liquid gas stored in the facility to make a reasonable assessment of the cost of, or the method of calculating the cost of, acquiring that right;
 - (aa) in the case of an LNG import facility, the terms setting out the cost or the method of determining the cost of acquiring the right to have liquid gas treated in the facility;";
 - (e) in subsection (1) in paragraph (b) of the definition of "main commercial conditions" after "such a right" insert "as is mentioned in paragraph (a) or (aa)";
 - (f) in subsection (1) after the definition of "main commercial conditions" insert—

""new facility" means-

- (a) a storage facility the construction of which is or is to be completed after 3rd August 2003; or
- (b) a storage facility the modification of which to provide for a significant increase in capacity is or is to be completed after 3rd August 2003.";
- (g) in subsection (1) in the definition of "owner" for "LNG facility" substitute "LNG import facility";
- (h) in subsection (1) in the definition of "significant transaction"—
 - (i) for "gas stored in a gas storage facility" substitute "gas or liquid gas stored in a storage facility";
 - (ii) for "treated in an LNG facility" substitute "liquid gas treated in an LNG import facility";
- (i) in subsection (1) after the definition of "significant transaction" insert—
 - ""storage", in relation to liquid gas in a storage facility, includes any liquefaction of gas or regasification of liquid gas ancillary to the storage of liquid gas, and "stored", in relation to liquid gas in a storage facility, shall be construed accordingly;"
- (i) in subsection (1) for the definition of "storage facility" substitute—
 - ""storage facility" means a facility in Great Britain (excluding the territorial sea adjacent to the United Kingdom) for either or both of the following—

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- (a) the storage of gas in cavities in strata or in porous strata, provided that the facility is or will be used for the storage of gas which has previously been conveyed in a pipeline system operated by a gas transporter;
- (b) the storage of liquid gas;

but the reference in paragraph (b) to the storage of liquid gas does not include such temporary storage as is mentioned in paragraph (c) of the definition of "LNG import facility";

- (k) in subsection (1) for the definition of "treatment" substitute—
 - ""treatment", in relation to liquid gas in an LNG import facility, includes importation, temporary storage and regasification, and "treat" shall be construed accordingly.";
- (l) in subsection (5)—
 - (i) for "any kind" substitute "any kind, or liquid gas or liquid gas of any kind,";
 - (ii) for "that kind" insert "that kind, or liquid gas or liquid gas of that kind,"; and
- (m) subsection (6) shall cease to have effect.