
STATUTORY INSTRUMENTS

2013 No. 1726

GAS

The Gas Act 1986 (Exemption) (Onshore Gas) Order 2013

<i>Made</i>	- - - -	<i>9th July 2013</i>
<i>Laid before Parliament</i>		<i>12th July 2013</i>
<i>Coming into force</i>	- -	<i>12th August 2013</i>

The Secretary of State, in exercise of the powers conferred by section 6A of the Gas Act 1986(1), makes the following Order.

The Secretary of State has given notice of the proposal to make this Order in accordance with section 6A(1A) and (1B) of that Act and has considered representations made in relation to the proposal.

Citation and commencement

1. This Order may be cited as the Gas Act 1986 (Exemption) (Onshore Gas) Order 2013 and comes into force on 12th August 2013.

Interpretation

2. In this Order—

“the Act” means the Gas Act 1986;

“gas processing operations” means any of the following operations—

- (a) purifying, enrichment, blending, odourising or compressing gas for the purpose of enabling it to be introduced into a pipeline system operated by a gas transporter,
- (b) removing from gas for that purpose any of its constituent gases, through cleaning, scrubbing or particulate removal, or separating from gas for that purpose any oil or water,
- (c) determining the quantity or quality of gas for that purpose;

(1) 1986 c.44. Section 6A was substituted by section 4 of the Gas Act 1995 (c.45) and amended by sections 3, 86 and 108 of, and Schedule 8 to, the Utilities Act 2000 (c.27), section 149 of the Energy Act 2004 (c.20) and S.I. 2012/2400. Section 7(1) which defines “gas transporter” was substituted by section 5 of the Gas Act 1995 and amended by section 76(1) and (2) of the Utilities Act 2000; section 197(9) of the Energy Act 2004 when brought into force will repeal section 7(1)(c). The definition of “LNG import or export facility” in section 48 was inserted by S.I. 2011/2704.

“landward areas” means the areas of Great Britain, and beneath the waters adjacent to Great Britain, which lie on the landward side of the lines drawn in accordance with the provisions of Schedule 1 to the Petroleum (Production) (Landward Areas) Regulations 1995(2);

“onshore gas processing facility” means any facility which—

- (a) carries out gas processing operations in respect of gas extracted from or produced in landward areas only,
- (b) is not operated by a gas transporter, and
- (c) is not an LNG import or export facility.

Exemption from section 5(1)(a) of the Act

3. A person (“A”) who conveys gas from an onshore gas processing facility to a pipeline system operated by a gas transporter is exempt from section 5(1)(a) of the Act in relation to that conveyance if the conditions specified in article 4 are satisfied.

Conditions on exemption

4. The conditions are that—

- (a) A does not convey the gas mentioned in article 3 to any premises; and
- (b) the length of pipeline through which the gas mentioned in article 3 is conveyed does not exceed 16.043 kilometres between—
 - (i) the onshore gas processing facility at which gas processing operations are first carried out on that gas, and
 - (ii) the place at which that gas is introduced into a pipeline system operated by a gas transporter.

9th July 2013

Michael Fallon
Minister of State,
Department of Energy and Climate Change

EXPLANATORY NOTE

(This note is not part of the Order)

This Order grants an exemption from the requirement under section 5(1)(a) of the Gas Act 1986 to hold a licence when transporting gas (conveying gas through pipes to pipeline systems operated by gas transporters) in respect of a person who conveys gas from an onshore gas processing facility to a pipeline system operated by a gas transporter.

The exemption applies in respect of gas conveyed from an onshore gas processing facility, being a facility that carries out gas processing operations on gas extracted from or produced in landward areas only. Landward areas are defined by reference to the geographical area described by the coordinates set out in Schedule 1 to the Petroleum (Production) (Landward Areas) Regulations 1995 (S.I. 1995/1436), and in most cases are the areas on the landward side of the low water line along the coast of Great Britain.

The exemption only applies if the length of pipeline through which the gas is conveyed does not exceed 16.043 kilometres; this distance is measured from the first facility at which gas processing operations are carried out on that gas for the purpose of introduction into the gas grid. Preliminary operations which are not for this purpose are not considered to be gas processing operations for the purposes of the exemption and are therefore not taken into account for the purpose of this length limit.

The exemption does not apply if the gas is conveyed to any premises.