



Gas Act 1972

1972 CHAPTER 60

PART I

NEW STRUCTURE FOR BRITISH GAS INDUSTRY

The British Gas Corporation

1 The British Gas Corporation

(1) As from such day as the Secretary of State may by order appoint for the purposes of this Act, being a day not later than 1st July 1973, the body established under the Gas Act 1948 by the name of the Gas Council shall continue in existence as a body corporate having perpetual succession and a common seal, but—

- (a) shall be known as the British Gas Corporation, and
- (b) shall consist of members appointed by the Secretary of State under and in accordance with the provisions of this Act;

and on that day, the Area Boards established under the said Act of 1948 shall be dissolved, and all property, rights, liabilities and obligations vested in any of them immediately before that day shall vest in the British Gas Corporation by virtue of this Act and without further assurance.

(2) The Secretary of State shall appoint as members of the Corporation—

- (a) a chairman, and
- (b) not less than ten nor more than twenty other persons, of whom he may designate one or more as deputy chairman or deputy chairmen ;

and in making appointments to the Corporation, the Secretary of State shall have regard to the desirability of having members who are familiar with the special requirements and circumstances of particular regions and areas.

(3) The Corporation shall pay to the members thereof such remuneration and such allowances as may be determined by the Secretary of State with the consent of the Minister for the Civil Service, and, if the Secretary of State with the consent of that Minister so determines in the case of any person who is or has been a member of

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the Corporation, shall pay or make arrangements for the payment of a pension to or in respect of that person in accordance with the determination; and if a person ceases to be a member of the Corporation and it appears to the Secretary of State that there are special circumstances which make it right that that person should receive compensation, the Secretary of State may require the Corporation to pay to that person a sum of such amount as the Secretary of State may with the consent of the Minister for the Civil Service determine.

- (4) The Secretary of State may make regulations with respect to—
- (a) the appointment of, and the tenure and vacation of office by, members of the Corporation,
 - (b) the quorum, proceedings, meetings and determinations of the Corporation,
 - (c) the execution of instruments and the mode of entering into contracts by and on behalf of the Corporation, and the proof of documents purporting to be executed, issued or signed by the Corporation or a member or officer thereof, and
 - (d) any other matters supplementary or incidental to those above mentioned for which provision appears to the Secretary of State to be necessary or expedient.

Subject to any such regulations, the Corporation shall have power to regulate their own procedure.

- (5) The validity of any proceedings of the Corporation shall not be affected by any vacancy among the members or by any defect in the appointment of a member.
- (6) The provisions of Schedule 1 to this Act shall have effect for the purpose of supplementing the preceding provisions of this section.

2 Principal duties and powers of Corporation

- (1) It shall be the duty of the Corporation to develop and maintain an efficient, co-ordinated and economical system of gas supply for Great Britain, and to satisfy, so far as it is economical to do so, all reasonable demands for gas in Great Britain.
- (2) Subject to subsection (3) below, the Corporation shall have power to carry on all such activities as it may appear to them to be requisite, advantageous or convenient for them to carry on for or in connection with the discharge of their duty under subsection (1) above, including in particular, but without prejudice to the generality of the preceding provision, power—
- (a) to search and bore for and get natural gas,
 - (b) to bore for and get petroleum found in the form of crude oil in the course of searching, boring for or getting natural gas, to treat any petroleum got by virtue of this paragraph for the purpose of rendering it saleable in the form of crude oil, to supply or sell any such petroleum (whether or not so treated) to any person, and to supply or sell to any person any by products obtained in the process of treating any such petroleum for the purpose of rendering it so saleable,
 - (c) to manufacture gas (and to use for that purpose any petroleum, whether got by virtue of paragraph (b) above or otherwise),
 - (d) to acquire gas from any source,
 - (e) to transmit and distribute gas,

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- (f) to manufacture, treat, render saleable, supply or sell any by-products obtained in the process of manufacturing gas, and any products made or derived from gas or from any by-product so obtained,
- (g) to manufacture plant required by the Corporation, and to instal, repair, maintain or remove any such plant, and
- (h) to manufacture gas fittings, to sell, hire or otherwise supply gas fittings, and to instal, repair, maintain or remove gas fittings.

In this subsection " petroleum " means petroleum within the meaning of the Petroleum (Production) Act 1934.

- (3) Notwithstanding subsection (2) above, the Corporation shall not, except with the consent of the Secretary of State and in accordance with any conditions he may attach to his consent—
 - (a) carry out any operations for searching or boring for natural gas, or for getting natural gas, otherwise than within Great Britain, the territorial waters of the United Kingdom adjacent to Great Britain or an area for the time being designated under section 1(7) of the Continental Shelf Act 1964. or
 - (b) export gas, or
 - (c) manufacture gas fittings for export.

3 Duties of Corporation towards employees, and in respect of research

- (1) It shall be the duty of the Corporation, in exercising and performing the functions conferred or imposed on them by this Act or any other enactment, to promote title welfare, health and safety of persons in their employment.
- (2) It shall be the duty of the Corporation, in consultation with any organisation appearing to them to be appropriate, to make provision for advancing the skill of persons employed by them, including the provision by them, and the assistance of the provision by others, of facilities for training and education.
- (3) It shall be the duty of the Corporation to settle from time to time, in consultation with the Secretary of State, a general programme of research into matters affecting gas supply and other matters affecting their functions, and of technological development connected with such matters, and to secure (whether by themselves conducting research into, or technological development connected with, any such matters, or by making arrangements for the conduct of such research or development by others) the carrying out of any programme so settled.

4 Duties of Corporation as respects management of affairs

- (1) The Corporation shall, forthwith after the appointed day and subsequently from time to time when they consider it appropriate or the Secretary of State so requires—
 - (a) undertake a review of the affairs of the Corporation and their subsidiaries for the purpose of determining how the management of the activities of the Corporation and their subsidiaries can most efficiently be organised, and
 - (b) make a report to the Secretary of State upon the Corporation's conclusions arising from the review.
- (2) The Corporation's report on their first review under subsection (1) above shall be made to the Secretary of State before such date as he may after consultation with them determine.

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- (3) The Secretary of State shall lay before each House of Parliament a copy of any report under subsection (1) above, and may after doing so, and after considering the report and consulting the Corporation about it, give to the Corporation such directions as he considers appropriate for securing that the management of the activities of the Corporation and their subsidiaries is organised in the most efficient manner; and it shall be the duty of the Corporation to give effect to any such directions.
- (4) The Corporation shall exercise their control over any subsidiary of theirs so as to secure that the subsidiary does not, either alone or in association with any other person, engage in any activity which the Corporation are not empowered to carry on, but not so as to prevent any subsidiary from carrying on with the consent of the Secretary of State, and in accordance with any conditions attached thereto, any activity which the Corporation would have power to carry on if the consent had been given to them.
- (5) It shall be the duty of the Corporation, in appointing persons to manage on their behalf the carrying on of any of their activities in particular regions of Great Britain, to secure that any such region shall consist of, or lie exclusively within, England or Scotland or Wales (including Monmouthshire).

5 Programmes for measures involving substantial capital outlay

In carrying out any measures involving substantial outlay on capital account, the Corporation shall act in accordance with a general programme settled from time to time by them and approved by the Secretary of State; and the Corporation shall exercise their control over any wholly owned subsidiary of theirs so as to secure that the subsidiary also acts in accordance with a programme so settled and approved in carrying out any such measures.

6 Miscellaneous powers and duties of Corporation

- (1) Subject to subsections (2) and (3) below, the Corporation shall have power to do any thing, and to enter into any transaction (whether or not involving the expenditure of money, the borrowing of money, the lending of money, the acquisition of any property or rights or the disposal of any property or rights), which in their opinion is calculated to facilitate the exercise or performance of their functions under any enactment other than this subsection (including any enactment passed or made after the passing of this Act), or is incidental or conducive to the exercise or performance of any such function.
- (2) So much of subsection (1) above as relates to the borrowing of money by the Corporation shall have effect subject to the provisions of Part II of this Act.
- (3) Notwithstanding the generality of the said subsection (1), the Corporation shall not, except with the consent of the Secretary of State or in accordance with a general authority given by him, guarantee the repayment of, or the payment of interest on, any loan other than one raised by a wholly owned subsidiary of theirs; and it shall be the duty of the Corporation to exercise their control over any such subsidiary so as to secure that that subsidiary does not, except with such consent or in accordance with such an authority, guarantee the repayment of, or the payment of interest on, any such loan.
- (4) Without prejudice to the generality of the said subsection (1), the Corporation shall have power to subscribe for or acquire any securities of a body corporate, to procure

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their admission to membership of any such body, and to promote or participate in the promotion of any such body.

- (5) The provisions of Schedule 2 to this Act shall have effect with respect to the acquisition of land by the Corporation (and without prejudice to the generality of the said subsection (1) so far as they concern its acquisition by agreement).
- (6) The Corporation may with the consent of the Secretary of State promote Bills in Parliament, and may without any such consent oppose any Bill in Parliament.

Any reference in this subsection to a Bill in Parliament includes a reference to an order under the Private Legislation Procedure (Scotland) Act 1936.

- (7) The Corporation may, with the consent of the Secretary of State, enter into and carry out agreements with the Minister of the Crown for the time being discharging the functions expressed by the Overseas Aid Act 1966 to be conferred on the Minister of Overseas Development whereunder the Corporation act, at the expense of that Minister, as the instrument by means whereof technical assistance is furnished by him in exercise of the power conferred by section 1(1) of that Act; and the Corporation may, with the consent of both the Secretary of State and the said Minister of the Crown, enter into and carry out agreements whereunder the Corporation, for any purpose specified in the said section 1(1), furnish technical assistance in a country or territory outside the United Kingdom against reimbursement to them of the cost of furnishing that assistance.
- (8) For the avoidance of doubt it is hereby declared that the preceding provisions of this Act, so far as they confer powers on the Corporation, relate only to the capacity of the Corporation as a statutory corporation, and nothing in those provisions shall be construed as authorising the disregard by the Corporation of any enactment or rule of law.

7 General powers of Secretary of State to give directions to Corporation and obtain information

- (1) The Secretary of State may, after consultation with the Corporation, give to the Corporation directions of a general character as to the exercise and performance by the Corporation of their functions (including the exercise of rights conferred by the holding of interests in companies) in relation to matters which appear to him to affect the national interest, and the Corporation shall give effect to any such directions.
- (2) Without prejudice to the generality of subsection (1) above, the Secretary of State may, after consultation with the Corporation, direct the Corporation—
- (a) to discontinue any activity either wholly or to a specified extent, not to extend any activity or not to extend it beyond specified limits, to dispose of any part of their undertaking or of any assets held by them, or to call in any loan made by them, or
 - (b) to exercise their control over any wholly owned subsidiary of theirs so as to cause the subsidiary to discontinue any activity either wholly or to a specified extent, not to extend any activity or not to extend it beyond specified limits, to dispose of any part of its undertaking or of any assets held by it, or to call in any loan made by it,

and the Corporation shall give effect to any such direction :

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Provided that the Secretary of State shall not give any direction under this subsection unless he is satisfied that he will not thereby impede or prevent the proper discharge of the Corporation's duties.

- (3) A direction under subsection (2) above shall be given by statutory instrument, of which a draft shall be laid before Parliament.
- (4) The Corporation shall furnish the Secretary of State with such returns, accounts and other information as he may from time to time require with respect to their property and activities, or the property and activities of any of their subsidiaries, and shall afford to the Secretary of State facilities for the verification of information so furnished.

8 Reports by Corporation to Secretary of State

- (1) The Corporation shall make to the Secretary of State, as soon as possible after the end of each financial year and, if the Secretary of State so directs, in such form as is specified in the direction, a report on the exercise and performance by them of their functions during that year and on their policy and programmes.
- (2) Subject to subsection (3) below, the report of the Corporation for any year shall set out any direction given to them during that year under section 4(3), 7(1), 10(4), 15, 16 or 23 of this Act, or under subsection (1) of this section.
- (3) Subsection (2) above shall not apply to any direction in the case of which the Corporation are notified by the Secretary of State of his opinion that it is against the interests of national security for the direction to be included in a report.
- (4) The Secretary of State shall lay a copy of every report made to him under this section before each House of Parliament.

The consumers' bodies

9 The National Gas Consumers' Council and the Regional Gas Consumers' Councils

- (1) As from the appointed day there shall be—
 - (a) a council to be known as the National Gas Consumers' Council, and
 - (b) other councils to be known as Regional Gas Consumers' Councils.
- (2) The National Gas Consumers' Council (hereafter referred to as "the National Council") shall consist of a chairman appointed by the Secretary of State, and not more than thirty other members made up of—
 - (a) the chairmen for the time being of the Regional Gas Consumers' Councils or, if one of those chairmen is appointed chairman of the National Council, the remainder of them, and
 - (b) such other persons as the Secretary of State may from time to time appoint after consultation with such bodies as he thinks fit.
- (3) The Regional Gas Consumers' Councils (hereafter referred to as "the Regional Councils") shall exist for particular areas of Great Britain, and those areas—
 - (a) subject to any variations which the Secretary of State may think fit to direct, shall in the first instance be the areas immediately before the appointed day of the Area Boards, and

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- (b) may be varied from time to time thereafter by directions given by the Secretary of State after consultation with the National Council and every Regional Council to be affected by the variation.

The Secretary of State shall so exercise his powers under this subsection as to secure that there is no part of Great Britain which is not within the area of a Regional Council and that the area of every Regional Council consists of, or lies exclusively within, England or Scotland or Wales (including Monmouthshire).

- (4) Subject to subsection (5) below, a Regional Council shall consist of a chairman appointed by the Secretary of State, and not less than twenty nor more than thirty other members so appointed of whom—
 - (a) not less than two-fifths and not more than three-fifths shall be appointed from a panel of persons nominated from amongst members of local authorities in the area of the Council by such associations as appear to the Secretary of State to represent those authorities, and
 - (b) the remainder shall be appointed, after consultation with such bodies as the Secretary of State thinks fit, to represent commerce, industry, labour and the general interests of consumers of gas and other persons or organisations interested in the development of gas in that area.
- (5) Where a Regional Council is to exist as from the appointed day for the area of one of the Area Boards, the members immediately before that day of the Gas Consultative Council established for that area under section 9 of the Gas Act 1948 shall, unless the Secretary of State otherwise directs, become on that day the members of the Regional Council, and the chairman of the former chairman of the latter, and shall, subject to regulations made by virtue of section 12 below, hold office until the expiry of their original terms of appointment.

10 Functions of National and Regional Councils

- (1) The National Council shall be charged with the duties—
 - (a) of considering any matter affecting the interests of consumers of gas generally or any class or description of consumers of gas (and, in particular, any matter relating to the supply of gas, including the variation of tariffs, or to the supply of gas fittings or the provision of other services and facilities), being a matter which is the subject of a report or representation made to them by a Regional Council under subsection (5) or (6) below, or which appears to them to be a matter to which consideration ought to be given apart from any such report or representation,
 - (b) where action appears to them to be requisite as to any such matter, of notifying their conclusions to the Corporation,
 - (c) of considering, and reporting to the Corporation on, any such matter which may be referred to them by the Corporation, and
 - (d) of considering, and reporting to the Secretary of State on, any such matter which may be referred to them by the Secretary of State.
- (2) The National Council shall be informed by the Corporation of the Corporation's general plans and arrangements for exercising and performing their functions in relation to the supply of gas, and in particular of any proposal on the part of the Corporation to vary a tariff, shall consider any plans, arrangements or proposal of which they are informed, and may make representations to the Corporation with respect thereto.

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- (3) The Corporation shall consider any conclusions, reports or representations notified or made to them under the preceding provisions of this section, and the National Council may, after consultation with the Corporation, make representations to the Secretary of State on matters arising thereout.
- (4) The Secretary of State may, after consultation with the Corporation, give to the Corporation such directions as he thinks fit with respect to matters arising out of representations made by the National Council under subsection (3) above, and shall send a copy of any such directions to the National Council; and it shall be the duty of the Corporation to comply with the directions.
- (5) A Regional Council shall be charged with the duties—
 - (a) of considering any matter affecting the interests of consumers of gas in their area (and, in particular, any matter relating to the supply of gas, including the variation of tariffs, or to the supply of gas fittings or the provision of other services and facilities), being a matter which is the subject of a representation made to them by one or more consumers in their area or which appears to them to be a matter to which consideration ought to be given apart from any such representation,
 - (b) where action appears to them to be requisite as to any such matter, of notifying their conclusions to the Corporation,
 - (c) of considering, and reporting to the Corporation on, any such matter which may be referred to them by the Corporation, and
 - (d) of considering, and reporting to the National Council on, any such matter which may be referred to them by that Council.
- (6) A Regional Council may make representations to the National Council with respect to any matter considered by them pursuant to subsection (5)(a) above.
- (7) The Corporation shall consider any conclusions or reports notified or made to them under subsection (5)(b) or (5)(c) above.
- (8) References in the preceding provisions of this section to consumers of gas include references to prospective consumers.

11 Local representatives of Regional Councils

- (1) It shall be the duty of every Regional Council to appoint in accordance with a scheme under this section committees or individuals to be local representatives of the Council in such localities as are specified in the scheme; and it shall be the duty of a committee or individual representing the Council in any locality—
 - (a) to consider the particular requirements and circumstances of that locality with respect to the supply of gas and gas fittings and the provision of other services and facilities, and to make representations to the Council thereon, and
 - (b) to be available for receiving on behalf of the Council representations from consumers or prospective consumers of gas in the locality.
- (2) A member of a Regional Council shall be eligible for appointment under such a scheme, either as a member of a committee or as an individual, but membership of a Regional Council shall not be a necessary qualification for appointment.
- (3) A scheme under this section—

- (a) shall be prepared by the Regional Council, and shall come into force on being approved by the National Council and, so far as it fixes the number of local representatives to be appointed, how many of them are to be committees and how many individuals, and the size of any committee, by the Secretary of State;
 - (b) may be varied from time to time by the Regional Council with the approval of the National Council and, if the variation affects the number of local representatives, how many of them are to be committees and how many individuals, or the size of any committee, by the Secretary of State.
- (4) Each of the Regional Councils shall submit a scheme under this section to the National Council within the period of twelve months beginning with the appointed day.
- (5) Any committee or individual acting immediately before the appointed day as the local representative in any locality of a Gas Consultative Council established under section 9 of the Gas Act 1948 shall become on that day the local representative in that locality of the Regional Council in whose area the locality is (or, if the locality is in the areas of two or more Regional Councils, the local representative of each of those Councils in that part of the locality which is in their area) and shall have as such the duties specified in subsection (1) above.
- (6) A person holding office as a member of a committee or a local representative by virtue of subsection (5) above shall, subject to the terms of his appointment by the Gas Consultative Council, do so until the putting into effect of the Regional Council's scheme in the locality or part in question; and if such a person ceases to hold office before the Regional Council's scheme is so put into effect, the Regional Council may from time to time fill the office either by re-appointing him or by appointing some other person in accordance with the scheme of the Gas Consultative Council as in force immediately before the appointed day.

12 Supplementary provisions with respect to Councils etc.

The supplementary provisions contained in Schedule 3 to this Act shall have effect with respect to the National Council and the Regional Councils, the members of those Councils, and the local representatives of the Regional Councils.

13 Reports by Councils to Secretary of State

- (1) The National Council and each of the Regional Councils shall make to the Secretary of State, as soon as possible after the end of each financial year of the Corporation, a report on the exercise and performance by them of their functions during that year:
- Provided that, unless the Secretary of State otherwise directs, the first reports under this section shall not be required until after the end of the financial year following that in which the appointed day falls, and shall relate to the period from that day to the end of that year.
- (2) The Secretary of State shall lay a copy of every report made to him under this section before each House of Parliament.

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PART II

FINANCIAL PROVISIONS

General financial duties of British Gas Corporation

14 Revenues of Corporation and subsidiaries to cover outgoings and allocations to reserves

It shall be the duty of the Corporation so to exercise and perform their functions (including those conferred or imposed on them by any enactment other than this Act), and so to exercise their control over their subsidiaries, as to secure that, taking one year with another, the combined revenues of the Corporation and their subsidiaries are not less than sufficient—

- (a) to meet the total outgoings of the Corporation and their subsidiaries properly chargeable to revenue account, and
- (b) to enable the Corporation and their subsidiaries to make such allocations to reserve as the Corporation consider adequate, and as may be necessary to comply with any directions given by the Secretary of State under section 15 below.

15 Directions by Secretary of State as to reserves of Corporation and wholly owned subsidiaries

- (1) The Secretary of State may from time to time, after consultation with the Corporation and with the approval of the Treasury, give to the Corporation directions—
- (a) requiring them to allocate to reserve generally, or to reserve for a particular purpose, or to cause any wholly owned subsidiary of theirs so to allocate, either a specified amount or such amount as the Corporation consider adequate, or
 - (b) requiring them to re-allocate for a specified purpose or to cause any wholly owned subsidiary of theirs so to re-allocate, the whole or part of any amount previously allocated by them or, as the case may be, by the subsidiary to reserve for some other purpose, or
 - (c) with respect to the application by them, or by any wholly owned subsidiary of theirs, of amounts allocated to reserve,

and it shall be the duty of the Corporation to comply with any such directions.

- (2) Directions under subsection (1) above requiring the allocation of any amount to reserve may provide for it to be so allocated either at a specified time or during the course of a specified period.

16 Payment of excess revenue to Secretary of State

If in any financial year of the Corporation there is an excess of the revenue of the Corporation over the total sums properly chargeable by them to revenue account, the Secretary of State may with the approval of the Treasury direct the Corporation to pay over to him so much of that excess as appears to him, after consultation with the Corporation, to be—

- (a) attributable to the carrying on, whether by the Corporation or by any subsidiary of theirs, of activities falling within paragraph (a) or (b) of section 2(2) of this Act, and
- (b) surplus to the Corporation's requirements;

and it shall be the duty of the Corporation to comply with any such direction :

Provided that no such direction shall be given as respects any financial year unless the total of the sums standing to the credit of the Corporation's reserves at the beginning of that year exceeds 10 per cent, of the value at the beginning of that year of their net assets as for the time being defined for the purposes of this section by the Secretary of State.

Borrowings etc.

17 Borrowing powers of Corporation

- (1) Subject to subsection (5) below, the Corporation may borrow money in accordance, and only in accordance, with the provisions of the next two following subsections.
- (2) The Corporation may borrow temporarily, by way of overdraft or otherwise, such sums as they may require for meeting their obligations and discharging their functions—
 - (a) in sterling from the Secretary of State, or
 - (b) with the consent of the Secretary of State and the approval of the Treasury, or in accordance with any general authority given by the Secretary of State with the approval of the Treasury, either in sterling or in a currency other than sterling from a person other than the Secretary of State.
- (3) The Corporation may borrow otherwise than by way of temporary loan such sums as they may require for all or any of the purposes specified in subsection (4) below—
 - (a) in sterling from the Secretary of State, or
 - (b) with the consent of the Secretary of State and the approval of the Treasury, by the issue of British Gas Stock under section 21 below, or
 - (c) with the like consent and approval, in any currency other than sterling from a person other than the Secretary of State.
- (4) The purposes referred to in subsection (3) above are the following—
 - (a) the redemption of any British Gas Stock or other security issued by the Corporation (whether as such or as the Gas Council);
 - (b) the repayment of any money borrowed or raised by the Corporation (whether as such or as the Gas Council) otherwise than by the issue of British Gas Stock or other securities, or borrowed by any of the Area Boards, but, in the case of money temporarily borrowed, or borrowed by the Corporation from a wholly owned subsidiary of theirs, only if so borrowed for a purpose mentioned in this subsection;
 - (c) the provision of money for meeting any expenditure incurred by the Corporation in connection with any works the cost of which is properly chargeable to capital account;
 - (d) the provision of any working capital required by the Corporation;
 - (e) any other purpose for which capital moneys are properly applicable by the Corporation ; and

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- (f) the making of any other payment which the Corporation are authorised to make, and which ought in the opinion of the Corporation to be spread over a term of years.
- (5) References in subsections (1) to (3) above to borrowing by the Corporation do not include references to borrowing by them from any of their wholly owned subsidiaries.

18 Borrowing by wholly owned subsidiaries

It shall be the duty of the Corporation to secure that no wholly owned subsidiary of theirs borrows money otherwise than from the Corporation or from another wholly owned subsidiary of theirs except with the consent of the Secretary of State and the approval of the Treasury.

19 Limitation on total indebtedness of Corporation and wholly owned subsidiaries

- (1) Subject to subsection (2) below, the aggregate of the amounts outstanding in respect of the principal of—
- (a) any British Gas Stock or other security issued by the Corporation (whether as such or as the Gas Council), and
 - (b) any money borrowed or raised by the Corporation (whether as such or as the Gas Council) otherwise than by the issue of British Gas Stock or other securities, and otherwise than from a wholly owned subsidiary of theirs, and
 - (c) any money borrowed by any wholly owned subsidiary of the Corporation otherwise than from the Corporation (whether as such or as the Gas Council) or from another such subsidiary, and
 - (d) any money borrowed by any of the Area Boards,
- shall not at any time exceed £2,500 million or such greater sum not exceeding £2,700 million as the Secretary of State may from time to time by order specify.
- (2) Nothing in subsection (1) above shall prevent the Corporation and their wholly owned subsidiaries from borrowing in excess of the said sum for the purpose of the redemption of any British Gas Stock or other security which the Corporation are required or entitled to redeem or the repayment of any money borrowed or raised as therein mentioned.
- (3) No order shall be made under the said subsection (1) unless a draft thereof has been laid before the House of Commons, and has been approved by a resolution of that House.

20 Loans to Corporation by Secretary of State

- (1) The Secretary of State may with the approval of the Treasury lend to the Corporation any sums which the Corporation have power to borrow from him under section 17 above.
- (2) Any loans which the Secretary of State makes under this section shall be repaid to him at such times and by such methods, and interest thereon shall be paid to him at such rates and at such times, as he may with the approval of the Treasury from time to time direct.
- (3) The Treasury may issue to the Secretary of State out of the National Loans Fund such sums as are necessary to enable him to make loans under this section.

- (4) Any sums received by the Secretary of State under subsection (2) above shall be paid into the National Loans Fund.
- (5) The Secretary of State shall, as respects each financial year, prepare in such form as the Treasury may direct an account of sums issued to him under subsection (3) above or received by him under subsection (2) above, and of the disposal by him of those sums respectively, and shall send the account to the Comptroller and Auditor General not later than the end of November following the year; and the Comptroller and Auditor General shall examine, certify and report on the account, and shall lay copies of it and his report before each House of Parliament.

21 British Gas Stock

- (1) The Corporation may create and issue in terms of sterling any stock required for the purpose of exercising the power conferred on them by section 17(3)(6) above; and any stock created and issued under this section or under section 43 of the Gas Act 1948 is in this Act referred to as " British Gas Stock ".
- (2) British Gas Stock shall be issued, transferred, dealt with, redeemed and cancelled upon such terms, and in accordance with such provisions, as may be prescribed by regulations made by the Secretary of State with the approval of the Treasury; and any such regulations may, in relation to any such stock, apply with or without modification any provisions of the Local Loans Act 1875, or of any enactment relating to stock issued by a local authority.

22 Guarantees

- (1) The Treasury may guarantee, in such manner and on such conditions as they think fit, the redemption or repayment of, and the payment of any interest on, any British Gas Stock issued by the Corporation under section 21 above or any sums borrowed by the Corporation from a person other than the Secretary of State.
- (2) Immediately after a guarantee is given under this section, the Treasury shall lay a statement of the guarantee before each House of Parliament.
- (3) Any sum required by the Treasury for fulfilling a guarantee given under this section or under section 45 of the Gas Act 1948 shall be charged on and issued out of the Consolidated Fund.
- (4) Where any sum is so issued for fulfilling any such guarantee—
 - (a) the Corporation shall make to the Treasury, at such times and in such manner as the Treasury may from time to time direct, payments of such amounts as the Treasury may so direct in or towards repayment of that sum, and payments of interest on what is outstanding for the time being in respect of that sum at such rate as the Treasury may so direct, and
 - (b) the Treasury shall, as soon as possible after the end of each financial year beginning with that in which the sum is issued and ending with that in which all liability in respect of the principal of the sum and in respect of interest thereon is finally discharged, lay before each House of Parliament a statement relating to the sum.

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Accounts and audit

23 Accounts and audit

- (1) It shall be the duty of the Corporation—
 - (a) to keep proper accounts and proper records in relation thereto, and
 - (b) subject to subsection (2) below, to prepare in respect of each financial year of the Corporation, in such form as the Secretary of State may with the approval of the Treasury direct, a statement of those accounts showing the state of affairs of the Corporation and their profit or loss.
- (2) If the Secretary of State with the approval of the Treasury so directs, it shall be the duty of the Corporation to prepare, in respect of each financial year of the Corporation during which the direction is in force and in such form as is specified in the direction, statements of the consolidated accounts of the Corporation and their subsidiaries, or of the Corporation and any specified subsidiary or subsidiaries, showing the state of affairs and the profit or loss of the Corporation and the subsidiary or subsidiaries in question; and a direction under this subsection may provide that the statement of accounts to be prepared by the Corporation under subsection (1)(b) above in respect of any financial year of theirs for which the direction is in force shall not be required to show the Corporation's profit or loss.
- (3) If the Secretary of State with the approval of the Treasury so directs, it shall be the duty of the Corporation to prepare, in respect of each financial year of the Corporation during which the direction is in force and in such form as is specified in the direction, statements of accounts showing the state of affairs and the profit or loss of the Corporation's subsidiaries or such of them as are specified in the direction, including (if the Secretary of State so requires) a statement of consolidated accounts for any two or more specified subsidiaries.
- (4) A statement under subsection (1)(b) or (2) above shall give separate information with respect to, and show as far as may be the financial and operating results of, each of the main activities of the Corporation or, as the case may be, of the group consisting of the Corporation and their subsidiary or subsidiaries in question; and if the Secretary of State so directs with respect to any statement required by the said subsection (1)(b), or it is so provided in any direction under the said subsection (2) for the preparation of a statement, the statement shall also give separate information with respect to, and show so far as may be the financial and operating results of, each, or such as are specified in the direction, of the activities other than main activities of the Corporation or group.
- (5) If it is so provided in any direction under subsection (3) above for the preparation of a statement, the statement shall give separate information with respect to, and show so far as may be the financial and operating results of, each, or such as are specified in the direction, of the activities of the body or group of bodies to which the statement relates.
- (6) The accounts kept, and all statements prepared, by the Corporation in pursuance of the preceding provisions of this section shall be audited by auditors appointed for each financial year of the Corporation by the Secretary of State.
- (7) A person shall not be qualified for appointment under subsection (6) above unless he is a member of one or more of the following bodies—
 - the Institute of Chartered Accountants in England and Wales;
 - the Institute of Chartered Accountants of Scotland;
 - the Association of Certified Accountants ;

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the Institute of Chartered Accountants in Ireland ;
any other body of accountants established in the United Kingdom, and for the time being recognised for the purposes of section 161(1)(a) of the Companies Act 1948 by the Secretary of State:

Provided that a Scottish firm may be so appointed if each of the partners therein is qualified to be so appointed.

- (8) As soon as the accounts kept, and the statement or statements prepared, by the Corporation in pursuance of the preceding provisions of this section have been audited, the Corporation shall send to the Secretary of State a copy of the statement or statements, together with a copy of any report made by the auditors on the statement or statements or on the accounts of the Corporation; and the Secretary of State shall lay a copy of every statement and report of which a copy is received by him in pursuance of this subsection before each House of Parliament.

PART III

PROVISIONS AS TO SUPPLY AND USE OF GAS

Supply by British Gas Corporation

24 Duty of Corporation to avoid undue preference in supply

- (1) Subject to subsection (2) below and to any directions' given to them by the Secretary of State under section 7(1) of this Act, the Corporation shall avoid any undue preference in the supply of gas to consumers.
- (2) Nothing in subsection (1) above shall be construed as applying to the terms of any special agreement made by the Corporation under subsection (6) of section 25 below so far as those terms relate to the charges to be made for the supply of gas.

25 Methods of charge and tariffs

- (1) Subject to the following provisions of this section and to any regulations made under section 41 of this Act, the Corporation shall charge for the gas supplied by them according to the number of therms supplied, that number being calculated in the prescribed manner on the basis of the declared calorific value of the gas.

In this Act—

" calorific value " means, subject to the provisions of any regulations made under section 41 of this Act, the number of British thermal units (gross) produced by the combustion of one cubic foot of gas measured at sixty degrees Fahrenheit under a pressure of thirty inches of mercury and, if the Secretary of State so determines in relation to gas supplied to any area, containing such an amount of water vapour as is specified in the determination, and

" declared calorific value " means calorific value declared by the Corporation in accordance with regulations under subsection (2) below.

- (2) Regulations shall make provision—

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- (a) as to the time when, and the manner in which, the calorific value of gas supplied by the Corporation is to be declared, and is to be brought to the notice of consumers,
 - (b) as to the time when any such declaration is to take effect, and
 - (c) for the adjustment of charges for gas in cases where an alteration in the declared calorific value occurs in the course of a period for which such charges are made.
- (3) Subject to the following provisions of this section, the prices to be charged by the Corporation for the supply of gas by them shall be in accordance with such tariffs as may be fixed from time to time by them, and those tariffs, which may relate to the supply of gas in different areas, cases and circumstances, shall be so framed as to show the methods by which and the principles on which the charges are to be made as well as the prices which are to be charged, and shall be published in such manner as in the opinion of the Corporation will secure adequate publicity for them.
- (4) A tariff fixed by the Corporation under subsection (3) above may include a standing charge in addition to the charge for the actual gas supplied, and may also include a rent or other charge in respect of any gas meter or gas fittings provided by the Corporation on the premises of the consumer.
- (5) In fixing tariffs under subsection (3) above, the Corporation shall not show undue preference to any person or class of persons, and shall not exercise any undue discrimination against any person or class of persons.
- (6) Notwithstanding anything in the preceding provisions of this section, the Corporation may enter into a special agreement with any consumer for the supply of gas to him on such terms as may be specified in the agreement:

Provided that the Corporation shall not enter into any such agreement except in cases where the tariffs in force are not appropriate owing to special circumstances.
- (7) Where, immediately before the appointed day, charges for gas supplied by an Area Board from any gasworks are, by virtue of an authorisation granted to the Board under section 53(2) of the Gas Act 1948, being made by some method other than according to the number of therms supplied, the Corporation may continue to charge for gas supplied from those gasworks by that other method until the expiry of the period specified in the authorisation, and may be authorised by the Secretary of State to continue so to charge after the expiry of that period if it appears to him that it would be impracticable or uneconomical to require them to charge according to the number of therms supplied.

26 Standards of quality

- (1) The Secretary of State shall after consultation with the Corporation prescribe standards of pressure, purity and uniformity of calorific value to be complied with by the Corporation in supplying gas, and may after such consultation prescribe other standards with respect to the properties, condition and composition of gas supplied by the Corporation.
- (2) The Secretary of State shall appoint competent and impartial persons to carry out tests of the gas supplied by the Corporation for the purpose of ascertaining whether it is of the declared calorific value and conforms with the standards prescribed under this section.

- (3) Regulations may provide—
- (a) for determining the places at which such tests as aforesaid are to be carried out,
 - (b) for requiring premises, apparatus and equipment to be provided and maintained by the Corporation for the purpose of carrying out such tests,
 - (c) for persons representing the Corporation to be present during the carrying out of such tests,
 - (d) for the manner in which the results of such tests are to be made available to the public,
 - (e) for conferring powers of entry on property of the Corporation for the purpose of deciding where tests are to be carried out and otherwise for the purposes of this section, and
 - (f) for any other matters supplementary or incidental to the matters aforesaid for which provision appears to the Secretary of State to be necessary or expedient.
- (4) There shall be paid out of moneys provided by Parliament to the persons appointed under subsection (2) above such remuneration and such allowances as may be determined by the Secretary of State with the approval of the Minister for the Civil Service, and such pensions as may be so determined may be paid out of moneys provided by Parliament to or in respect of those persons.
- (5) The Corporation shall repay to the Secretary of State any sums paid by him under subsection (4) above, and such part of his other expenses as he may with the consent of the Treasury determine to be attributable to his functions in connection with the testing of gas for the purposes of this section; and any liability of the Corporation under this subsection to pay to the Secretary of State sums on account of pensions (whether paid by him under subsection (4) above or otherwise) shall, if the Secretary of State so determines, be satisfied by way of contributions calculated, at such rate as may be determined by the Minister for the Civil Service, by reference to remuneration.
- (6) The reference in subsection (5) above to expenses of the Secretary of State includes a reference to expenses incurred by any government department in connection with the Department of Trade and Industry, and to such sums as the Treasury may determine in respect of the use for the purposes of that department of any premises belonging to the Crown.

27 Supply code

The provisions of Schedule 4 to this Act (which relate to the supply of gas by the Corporation and connected matters) shall have effect.

28 Relief to Corporation in emergency conditions

Without prejudice to any other provision of this Act or the provisions of any regulations thereunder, in any proceedings against the Corporation for or arising out of a failure by them to comply with any duty with respect to the supply of gas imposed on them by or under any enactment (including any duty with respect to pressure of supply), it shall be a defence for the Corporation to prove that circumstances existed by reason of which compliance with the duty would or might have involved danger to the public, and that they took all such steps as it was reasonable for them to take both to prevent the circumstances from occurring and to prevent them from having that effect.

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Supply by other persons

29 Restrictions on supply by persons other than the Corporation, and related provisions

- (1) Subject to subsections (4), (10) and (11) below, no person other than the Corporation shall on or after the appointed day supply gas to any premises except with the consent of the Corporation and in accordance with such conditions as may be attached to that consent.
- (2) The Corporation shall give their consent under subsection (1) above to the supply of gas if the supply is for industrial purposes which do not consist of or include the use as a fuel of the gas except in so far as it is required to provide heat or other energy required—
 - (a) for a process in which the gas is used otherwise than as a fuel, or
 - (b) where such a process is one of a series, for any further process in the same series, not being a process in which a bulk product is converted into manufactured articles;

and in determining whether any industrial purposes are as mentioned in this subsection, the use of any gas derived otherwise than as a by-product from the gas which it is proposed to supply shall be treated as the use of that gas.

If any question arises whether the purposes for which gas is to be supplied are purposes mentioned in this subsection, it shall be determined by the Secretary of State.

- (3) The Corporation shall not attach any conditions to their consent to a supply of gas for purposes mentioned in subsection (2) above except conditions requiring the supplier of the gas to provide, periodically or on request by the Corporation, information with respect to the type of gas supplied, the amount supplied, and the use of the gas supplied; and any person aggrieved by any such condition may refer it to the Secretary of State, who may confirm, vary or revoke it, or impose instead some other condition which the Corporation could have imposed under this subsection.
- (4) A person who produces gas as a by-product of an industrial process and who is aggrieved by a refusal of consent under subsection (1) above or by any conditions attached to such a consent may apply to the Secretary of State; and the Secretary of State, if he thinks fit to do so after affording to the Corporation an opportunity to make representations to him and considering any representations so made, may himself authorise that person to make the supply in question in accordance with such conditions as the Secretary of State may specify.
- (5) Any person who is engaged after the appointed day in the manufacture of gas may by notice require the Corporation to buy all or part of the gas manufactured by him which he does not require for his own use; and the Corporation shall, if and so far as it is reasonably practicable and economical for them to do so, comply with that requirement.
- (6) The Corporation may, if it appears to them to be necessary for the proper performance of their duty under section 2(1) of this Act, require any person manufacturing gas to sell to them all or part of the gas manufactured by him which he does not require for his own use, and the said person shall comply with that requirement; and where the Corporation make such a requirement, any rights and obligations of the person on whom it is made relating to the supply of gas after the date on which the requirement

takes effect shall be transferred to the Corporation, and any agreement relating to such supply shall have effect accordingly:

Provided that the Corporation shall not be under any liability by reason of any failure to provide a supply in pursuance of any such obligation if the failure is due to any deficiency in the quantity or quality of the gas supplied in pursuance of the said requirement.

- (7) Where any requirement is made under subsection (5) or (6) above, any pipes or other plant or gas fittings which the person who is to sell gas to the Corporation uses or holds for the purpose of or in connection with the supply of gas manufactured by him and which will in consequence of the said requirement no longer be required by him, but not including any pipes, plant or fittings which it is not reasonably practicable and economical for the Corporation to take over, shall if either the Corporation or the said person so requires, be transferred to the Corporation.
- (8) Any question arising under subsection (5), (6) or (7) above as to whether, or as to the extent to which, it is reasonably practicable and economical for the Corporation to buy a supply of gas, or as to the terms and conditions on which the supply is to be given, or as to whether, or as to the extent to which, pipes, plant or gas fittings are to be transferred to the Corporation, or as to the terms and conditions on which they are to be transferred, shall be referred for inquiry and report to a person appointed by the Secretary of State for Trade and Industry after consultation with the Lord Chancellor or, in Scotland, after consultation with the Secretary of State for Scotland, and shall be determined by the Secretary of State for Trade and Industry after considering the report of the said person.
- (9) For the purposes of this section—
 - (a) a person providing gas for his own use shall not in so doing be deemed to be supplying gas, and gas provided by a company for the use of any subsidiary or holding company of that company, or of any subsidiary of a holding company of that company, shall be deemed to be provided for the use of that company;
 - (b) a person providing, for use in a flat or part of a building let by him, gas supplied to him shall not in so doing be deemed to be supplying gas.
- (10) This section shall not affect the supply of gas by any person otherwise than through pipes.
- (11) This section shall not apply to natural gas got in pursuance of a licence under the Petroleum (Production) Act 1934 (including a licence under that Act as applied by section 1(3) of the Continental Shelf Act 1964).

Meter testing and stamping

30 Meter testing and stamping

- (1) As from the appointed day, no meter shall be used for the purpose of ascertaining the quantity of gas supplied to any person unless it is stamped either by, or on the authority of, a meter examiner appointed under this section or in such other manner as may be authorised by regulations.
- (2) A meter examiner shall not stamp, or authorise the stamping of, any meter unless he is satisfied that it is of such pattern and construction and is marked in such manner as

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is approved by the Secretary of State and that the meter conforms with such standards as may be prescribed.

- (3) The Secretary of State shall appoint competent and impartial persons as meter examiners for the purposes of this section, and it shall be the duty of such an examiner, on being required to do so by any person and on payment of the prescribed fee, to examine any meter used or intended to be used for ascertaining the quantity of gas supplied to any person, and to stamp, or authorise the stamping of, that meter if the examiner is satisfied of the matters aforesaid.
- (4) There shall be paid out of moneys provided by Parliament to meter examiners such remuneration and such allowances as may be determined by the Secretary of State with the approval of the Minister for the Civil Service, and such pensions as may be so determined may be paid out of moneys provided by Parliament to or in respect of such examiners.
- (5) All fees payable in respect of the examination of meters by meter examiners shall be paid to the Secretary of State.
- (6) Regulations may make provision—
 - (a) for re-examining meters already stamped, and for the cancellation of stamps in the case of meters which no longer conform with the prescribed standards and in such other circumstances as may be prescribed,
 - (b) for requiring meters to be periodically overhauled,
 - (c) for the revocation of any approval given by the Secretary of State to any particular pattern or construction of meter, and for requiring existing meters of that pattern or construction to be replaced within such period as may be prescribed,
 - (d) for determining the fees to be paid for examining, stamping and re-examining meters, and the persons by whom they are to be paid, and
 - (e) for any matters supplementary or incidental to the matters aforesaid and to the provisions of this section for which provision appears to the Secretary of State to be necessary or expedient.
- (7) If any person supplies gas through a meter which has not been stamped under this section, he shall be guilty of an offence and liable on summary conviction to a fine not exceeding £100.
- (8) The preceding provisions of this section shall not have effect in relation to the supply of gas to a person under any agreement made with the Corporation and providing for the quantity of gas supplied to him to be ascertained otherwise than by means of a duly stamped meter.

Safety regulations

31 Power to make safety regulations

- (1) The Secretary of State may make such regulations as he thinks fit for the purpose of securing that the public is so far as practicable protected from any personal injury, fire, explosion or other dangers arising from the transmission or distribution of gas by the Corporation, or from the use of gas supplied by the Corporation.

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- (2) Without prejudice to the generality of subsection (1) above, any regulations made under this section may make provision for empowering any officer authorised by the Corporation, with such other persons (if any) as may be necessary.—
- (a) to enter any premises in which there is a service pipe connected with gas mains of the Corporation, for the purpose of inspecting any gas fitting on the premises, any flue or means of ventilation used in connection with any such gas fitting, or any service pipe or other apparatus (not being a gas fitting) which is on the premises and belongs to the Corporation or is connected with the gas mains of the Corporation,
 - (b) where he so enters any such premises, to examine or apply any test to any such object as is mentioned in paragraph (a) above and (where the object is a gas fitting) to verify what supply of air is available for it, with a view to ascertaining whether the provisions of any regulations made under this section have been complied with or whether the object is in such a condition, or (in the case of a gas fitting) the supply of air available for it is so inadequate, that it (or, in the case of a flue or means of ventilation, the gas fitting in connection with which it is used) is likely to constitute a danger to any person or property, and
 - (c) where in his opinion it is necessary to do so for the purpose of averting danger to life or property, and notwithstanding any contract previously existing, to disconnect and seal off any gas fitting or any part of the gas supply system on the premises, or to cut off the supply of gas to the premises or, if no such supply is being given, to signify the refusal of the Corporation to give such a supply.
- (3) Where any regulations under this section confer any power in accordance with paragraph (c) of subsection (2) above, the regulations shall also include provision—
- (a) for securing that, where any such power is exercised, the consumer will be notified as to the nature of the defect or other circumstances in consequence of which, it has been exercised,
 - (b) for enabling any consumer so notified to appeal to the Secretary of State on the grounds that the defect or other circumstances in question did not constitute a danger such as to justify the action taken in the exercise of the power, or did not exist or have ceased to exist, and
 - (c) for enabling the Secretary of State to give such directions as may in accordance with the regulations be determined by him to be appropriate in consequence of any such appeal.
- (4) Regulations made under this section may make provision for prohibiting any person, except with the consent of the Corporation or in pursuance of any directions given by the Secretary of State as mentioned in subsection (3)(c) above, from—
- (a) reconnecting any gas fitting or part of a gas supply system which has been disconnected by or on behalf of the Corporation in the exercise of a power conferred by the regulations, or
 - (b) restoring the supply of gas to any premises where it has been cut off by or on behalf of the Corporation in the exercise of any such power, or
 - (c) causing gas from the gas mains of the Corporation to be supplied to any premises where in pursuance of the regulations the refusal of the Corporation to give a supply to those premises has been signified and that refusal has not been withdrawn.

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- (5) Any local enactment which is inconsistent with or rendered redundant by any regulations made under this section shall cease to have effect as from the date on which those regulations come into operation.

PART IV

MISCELLANEOUS AND SUPPLEMENTAL

Miscellaneous

32 Position of Corporation as respects taxation etc. generally

With the exception of sections 33 and 34 below, nothing in this Act shall be deemed to exempt the Corporation from any liability for any tax, duty, rate, levy or other charge whatsoever, whether general or local.

33 Special provisions with respect to stamp duty

- (1) Section 12 of the Finance Act 1895 (which requires certain Acts to be stamped as conveyances on sale) shall not apply to this Act.
- (2) Where the redemption of, and the payment of interest on any British Gas Stock issued by the Corporation is guaranteed by the Treasury under section 22 of this Act, transfers of the stock shall be exempt from all stamp duty (including stamp duty payable in Northern Ireland).

For the purposes of section 6 of the Government of Ireland Act 1920, this subsection shall, so far as it relates to stamp duty payable in Northern Ireland, be deemed to be contained in an Act passed before the day appointed for the purposes of that section.

- (3) Where a subsidiary is to be formed by the Corporation, or the amount of the nominal share capital of a subsidiary of the Corporation is to be increased, then, if the Treasury are satisfied that the formation of the subsidiary or, as the case may be, the increase of capital, is for the purpose of giving effect to conclusions reported to the Secretary of State under subsection (1) of section 4 of this Act or a direction given by the Secretary of State under subsection (3) of that section, or is for purposes that include that purpose, stamp duty shall not be chargeable on so much of the nominal share capital of the subsidiary or, as the case may be, of the increase in the nominal share capital of the subsidiary as, in the opinion of the Treasury, is necessary for achieving that purpose.

34 Rating of Corporation

- (1) Subsection (2) below applies to the rating of the Corporation in England and Wales, and subsection (3) to the rating of the Corporation in Scotland.
- (2) As from the appointed day, the provisions set out in Part I of Schedule 5 to this Act shall, as there directed, be substituted for section 33 of, and Schedule 6 to, the General Rate Act 1967 (which relate to the rating of the Gas Council and the Area Boards in England and Wales).

The transitional provisions contained in Part II of the said Schedule 5 shall also have effect, and the provisions in the said Part I shall have effect subject to them.

- (3) For the purposes of the levying of rates in respect of—
- (a) the year following the appointed day, the Corporation shall be treated as having—
 - (i) supplied, manufactured or produced all gas supplied or manufactured or produced in Scotland by the Gas Council and the Scottish Gas Board during the twelve months ending with the 31st March falling within the immediately preceding year, and
 - (ii) purchased all gas purchased by the Gas Council in order to supply the Scottish Gas Board and consumers in Scotland, and all gas purchased by the Scottish Gas Board from any person other than the Gas Council during the said period, and
 - (iii) occupied during that year, the lands and heritages mentioned in section, 24(1) of the Valuation and Rating (Scotland) Act 1956,and for this purpose that Act and any other enactments relating to the levying of rates in Scotland on the Gas Council and the Scottish Gas Board shall apply as in operation immediately before the appointed day, except in relation to the definition of " excepted premises " in section 24(4) of the Valuation and Rating (Scotland) Act 1956,
 - (b) any subsequent year, the provisions of section 24 of, and Schedule 4 to, the Valuation and Rating (Scotland) Act 1956, shall apply as read with section 3 of the Local Government (Financial Provisions etc.) (Scotland) Act 1962, section 12 of the Local Government (Financial Provisions) (Scotland) Act 1963 and sections 18 and 19 of the Local Government (Scotland) Act 1966.

35 Machinery for settling terms and conditions of employment etc.

- (1) Except so far as they are satisfied that adequate machinery exists for. achieving the purposes of this section—
- (a) it shall be the duty of the Corporation to seek consultation with any organisation appearing to them to be appropriate with a view to the conclusion between the Corporation and that organisation of such agreements as appear to the parties to be desirable with respect to the establishment and maintenance of machinery for the settlement by negotiation of terms and conditions of employment of persons employed by the Corporation, with provision for reference to arbitration in default of such settlement in such cases as may be determined by or under the agreements, and
 - (b) it shall be the duty of the Corporation to seek consultation with any organisation appearing to them to be appropriate with a view to the conclusion between the Corporation and that organisation of such agreements as appear to the parties to be desirable with respect to the establishment and maintenance of machinery for the promotion and encouragement of measures affecting the safety, health and welfare of persons employed by the Corporation and the discussion of other matters of mutual interest to the Corporation and such persons, including the training and education of such persons and efficiency in the operation of the services of the Corporation.

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- (2) The Corporation, shall send to the Secretary of State for Trade and Industry and to the Secretary of State for Employment copies of any agreement made by them under this section and of any instrument varying the terms of any such agreement.

36 Provisions as to pension rights

- (1) The Corporation may, in the case of such of the persons to whom this subsection applies as they may determine, pay such pensions to or in respect of those persons as they may determine, make such payments as they may determine towards the provision of such pensions, or establish and maintain such schemes as they may determine for the payment of such pensions.

The persons to whom this subsection applies are all persons who are or at any time have been employed by the Corporation (whether as such or as the Gas Council), an Area Board, the National Council, a Regional Council, or a Gas Consultative Council established under section 9 of the Gas Act 1948, and all persons who were at any time before 1st May 1949 (the vesting date for the purposes of the said Act of 1948) either employed by an undertaker to whom Part II of that Act applied or employed whole-time for the purpose of administering the undertaking of such an undertaker or a part of that undertaking (the expression "undertaker to whom Part II of that Act applied" including for this purpose the bodies mentioned in section 62(1) of that Act, which relates to certain gas and coke associations).

- (2) A scheme under subsection (1) above may provide that, where a person participating therein as an employee of the Corporation becomes a member of the Corporation, his service as a member shall be treated for the purposes of the scheme as if it were service as an employee ; and any such scheme may also provide for the like treatment, in the case of any person who is a member of the Corporation as from the appointed day, and was immediately before that day participating in a pension scheme maintained by the Gas Council or an Area Board either as an employee of the body in question or as a member whose service as such was treated for the purposes of that scheme as service as an employee, of the whole service of that person as a member of the Corporation and a member or employee of the Council or Board.
- (3) Notwithstanding the repeal by this Act of section 58 of the Gas Act 1948 (pensions for persons employed in the gas industry), any regulations in force under that section immediately before the appointed day (including regulations made by virtue of section 62(2) of that Act), and any pension scheme subsisting immediately before that day under or by virtue of any such regulations, shall continue in force thereafter by virtue of this subsection, subject however to the necessary modifications and to the provisions of any regulations made under subsection (4) below.
- (4) Under this subsection (in which " old scheme " and " new scheme " mean respectively a pension scheme continued in force by subsection (3) above, and a pension scheme established under subsection (1) above), the Secretary of State may make regulations providing for all or any of the following matters—
- (a) the amendment, repeal or revocation of an old scheme, or the amalgamation of such a scheme either with another old scheme or with a new scheme,
 - (b) the amendment, repeal or revocation of any enactment relating to an old scheme or to a new scheme, of any regulations continued in force by subsection (3) above and not constituting such an enactment, and of any trust deed, rules or other instrument made for the purpose of any such scheme,

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- (c) the transfer in whole or in part, or the extinguishment, of liabilities and obligations under an old scheme,
- (d) the transfer in whole or in part, or the winding up, of any pension fund held for the purposes of an old scheme, and
- (e) any matter supplemental to or consequential on any of the matters aforesaid, including the dissolution or winding up of bodies, whether incorporated or not, the continued existence of which is unnecessary having regard to the regulations ;

but nothing in this subsection shall authorise the making of provision for the diversion of any pension fund to purposes other than the payment of pensions to or in respect of persons to whom subsection (1) above applies.

- (5) Regulations made under subsection (4) above shall be so framed as to secure that persons having pension rights under any scheme or regulations to which they relate are not placed in any worse position by reason of the regulations.

Regulations shall not be invalid by reason that in fact they fail to secure that result; but if the Secretary of State is satisfied that they have failed to secure it, or it is so determined as hereinafter mentioned, the Secretary of State shall as soon as possible make the necessary amending regulations.

Any dispute arising as to whether or not the said result has been secured shall be referred to and determined by a tribunal established under section 12 of the Industrial Training Act 1964.

- (6) Regulations made under the said subsection (4) may be made so as to have effect from a date prior to the making thereof, so however that so much of any regulations as provides that any provision thereof is to have effect from a date prior to the making thereof shall not place any person other than the Corporation in a worse position than he would have been in if the regulations had been made to have effect only as from the date of the making thereof.

37 Compensation to members and officers of Gas Council and Area Boards, and officers of Gas Consultative Councils

- (1) The Secretary of State may require the Corporation to pay—
 - (a) to any person whose term of office as a member of the Gas Council expires on the appointed day by virtue of paragraph 1 of Schedule 1 to this Act, and who is not appointed to membership of the body under its new name for a term of office beginning on that day, and
 - (b) to the persons who are members of Area Boards immediately before the appointed day,

such sums by way of compensation for loss of office as the Secretary of State may with the consent of the Minister for the Civil Service determine.

- (2) The Secretary of State may by regulations require the Corporation to pay, in such cases and to such extent as may be determined by or under the regulations, compensation to or in respect of officers of the Gas Council, of Area Boards, or of Gas Consultative Councils established under section 9 of the Gas Act 1948, being officers who suffer loss of employment, or loss or diminution of emoluments or pension rights, in consequence of this Act.

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- (3) Different regulations may be made under subsection (2) above in relation to different classes of persons, and any such regulations may be so framed as to have effect as from a date prior to the making thereof, so, however, that so much of any regulations as provides that any provision thereof is to have effect as from a date earlier than the making thereof shall not place any person other than the Corporation in a worse position than he would have been in if the regulations had been made to have effect only as from the date of the making thereof.
- (4) Regulations under subsection (2) above—
- (a) shall prescribe the procedure to be followed in making claims for compensation, and the manner in which and the person by whom the question whether any or what compensation is payable is to be determined, and
 - (b) shall in particular contain provisions enabling appeals from any determination as to whether any or what compensation is payable to be brought, in such cases and subject to such conditions as may be prescribed by the regulations, before a tribunal established under section 12 of the Industrial Training Act 1964.

38 Contributions by Secretary of State towards expenditure designed to promote employment

- (1) There may be defrayed out of moneys provided by Parliament such sums not in the aggregate exceeding £5 million as may be required by the Secretary of State for the purpose of making with the approval of the Treasury contributions towards expenses to which this section applies.
- (2) This section applies—
- (a) to expenses incurred by the Gas Council, any of the Area Boards or the Corporation in or in connection with the carrying out of any project which is commenced before 1st April 1974 and which, pursuant to an agreement entered into with the Secretary of State with a view to promoting employment (whether or not in the gas industry) is, in whole or in part, commenced or carried out earlier than it would have been but for the agreement, and
 - (b) to expenses incurred by any of those bodies in or by reason of the purchase before that date of materials for any project, being a purchase which, pursuant to any such agreement, was effected earlier than it would have been but for the agreement;

and, in the case of the Gas Council and the Area Boards, this section applies to expenses incurred before as well as after the passing of this Act.

39 Application of Pipe-lines Act 1962

- (1) As from the appointed day, section 58(1) of the Pipe-lines Act 1962 (which sets out certain statutory bodies to whom, or in relation to whose pipe-lines, certain provisions of that Act are not to apply) shall be amended by substituting the following paragraph for paragraphs (a) and (b) (Area Boards and Gas Council)—
- “(a) the British Gas Corporation ;”.
- (2) Notwithstanding subsections (4) and (5) of the said section 58 and subsection (1) above, but subject to subsection (3) below, the references to a pipe-line in sections 27(1), 31(1) and 42 of the said Act (protection of pipe-lines imperilled by buildings, structures or deposits, and powers of inspectors) shall include references to any pipe-line vested in the Corporation other than one laid in a street or a service pipe, and

the references in the said section 42 to pipe-line works shall include references to any such works executed by the Corporation in relation to such a pipe-line.

In this subsection "street" has the same meaning as in the Public Utilities Street Works Act 1950.

- (3) The application by virtue of subsection (2) above of the said section 27(1) and the said section 31(1) to a particular part of any pipe-line shall be dependent upon there having been previously deposited with every local authority in whose area the part lies, either by the Corporation or, before the appointed day, by the Gas Council or an Area Board, a map, on a scale not less than 1 in 10,560, showing the route taken by the part.

A local authority holding a map relating to a pipe-line vested in the Corporation shall keep the map at their offices, and shall secure that it is open to inspection by any person at all reasonable times free of charge.

In this subsection " local authority " means—

- (a) in England and Wales, the council of a county, county borough or county district, the Greater London Council, the council of a London borough, and the Common Council of the City of London, and
- (b) in Scotland, a town or county council.

40 Meaning of "operational land" in Planning Acts

Section 223 of the Town and Country Planning Act 1971 and section 212 of the Town and Country Planning (Scotland) Act 1972 (which relate to the determination of what is operational land for the purposes of those Acts) shall each be amended by inserting in subsection (2)(b), before the words " the Transport Act 1968 " , the words " the Gas Act 1972 or " .

41 Adaptation to metric units

- (1) The Secretary of State may by regulations amend any provision of this Act, or any other enactment (whenever passed or made) relating to gas by substituting—
- (a) for any reference therein to the therm, a reference to a unit of measurement defined in terms of metric units, and
 - (b) for any reference therein to a distance expressed in imperial units, a reference to one expressed in metric units, being one which is either equivalent thereto or such an approximation thereto as the Secretary of State considers it preferable to substitute for the purpose of securing that the enactment in question as amended is expressed in convenient terms.
- (2) The Secretary of State may also by regulations amend section 25(1) of this Act by substituting for the definition of " calorific value " a definition expressed in terms of metric units.
- (3) Regulations under this section may contain such incidental, supplemental and consequential provisions as the Secretary of State considers expedient.

Supplementary

42 Penalties

- (1) If any person, in giving any information, making any claim or giving any notice for the purposes of any provision of this Act, or of any regulation thereunder, makes any statement which he knows to be false in a material particular, or recklessly makes any statement which is false in a material particular, he shall be guilty of an offence and liable—
 - (a) on summary conviction, to a fine not exceeding £400,
 - (b) on conviction on indictment, to imprisonment for a term not exceeding two years, or to a fine, or to both.
- (2) Regulations made under any provision of this Act may provide that any person contravening or failing to comply with any provision of the regulations shall be guilty of an offence and liable on summary conviction to a fine not exceeding £400.

43 Provisions as to prosecutions, and as to offences by corporations

- (1) Proceedings for an offence under section 42(1) above or any regulation made under this Act shall not in England and Wales be instituted except by or with the consent of the Secretary of State or by the Director of Public Prosecutions.
- (2) In England and Wales, any proceedings before a court of summary jurisdiction—
 - (a) for an offence against any regulations made under section 31 above, or for aiding, abetting, counselling or procuring the commission of such an offence, or
 - (b) for an offence under section 42(1) above relating to any information, claim or notice given or made for the purposes of any such regulations,may, notwithstanding any enactment prescribing the time within which proceedings may be brought, be brought either within the time so prescribed or within three months from the date on which evidence sufficient in the opinion of the Secretary of State to justify a prosecution for the offence comes to his knowledge, whichever is the longer; and for the purposes of this subsection a certificate purporting to be signed by the Secretary of State as to the date on which such evidence comes to his knowledge shall be conclusive evidence thereof.
- (3) Summary proceedings in Scotland for an offence mentioned in the last foregoing subsection may notwithstanding the limitation in section 23(1) of the Summary Jurisdiction (Scotland) Act 1954 be commenced at any time within three months after the date on which evidence sufficient in the opinion of the Lord Advocate to justify a prosecution comes to his knowledge, or where such evidence was reported to him by the Secretary of State, within three months after the date on which it came to the knowledge of the Secretary of State and for the purposes of this subsection—
 - (a) a certificate purporting to be signed by or on behalf of the Lord Advocate or the Secretary of State, as the case may be, as to the date on which such evidence as aforesaid came to their knowledge shall be conclusive evidence; and
 - (b) section 23(2) of the said Act of 1954 shall have effect as it has effect for the purposes of that section.
- (4) Where an offence under section 42(1) above or any regulations made under this Act which has been committed by a body corporate is proved to have been committed

with the consent or connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in any such capacity, he as well as the body corporate shall be guilty of that offence and be liable to be proceeded against and punished accordingly.

- (5) Where the affairs of a body corporate are managed by its members, subsection (4) above shall apply in relation to the acts and defaults of a member in connection with his functions of management as if he were a director of the body corporate.

44 Service of notices etc.

- (1) Subject to subsection (2) below, any notice or other document required or authorised to be given, delivered or served under this Act or regulations made thereunder, or under any enactment applied by this Act, other than one contained in the Pipe-lines Act 1962, may be given, delivered or served either—
- (a) by delivering it to the person to whom it is to be given or delivered or on whom it is to be served, or
 - (b) by leaving it at the usual or last known place of abode of that person, or
 - (c) by sending it in a prepaid letter addressed to that person at his usual or last known place of abode, or
 - (d) in the case of a body corporate, by delivering it to the secretary or clerk of the body at their registered or principal office, or sending it in a prepaid letter addressed to the secretary or clerk of the body at that office, or
 - (e) if it is not practicable after reasonable inquiry to ascertain the name or address of a person to whom it should be given or delivered, or on whom it should be served, as being a person having any interest in premises, by addressing it to him by the description of the person having that interest in the premises (naming them) to which it relates and delivering it to some responsible person on the premises, or affixing it or a copy of it to some conspicuous part of the premises.
- (2) Subsection (1) above shall not apply to notices to be given to or served on the Corporation under the provisions of Schedule 4 to this Act, but any such notice may be given or served by delivering it at, or sending it in a prepaid letter addressed to, an appropriate office of the Corporation, and, in the case of a notice under paragraph 15 or 22 of that Schedule, shall be treated as received by the Corporation only if received by them at an appropriate office.
- (3) For the purposes of subsection (2) above, the Corporation shall divide Great Britain into such areas as they think fit, and shall fix in the case of each area offices of theirs which are to be appropriate offices in relation to notices relating to matters arising in that area; and the Corporation shall publish in each area, in such manner as they consider adequate, the addresses of the offices fixed by them for that area, and shall endorse the addresses of the offices fixed for the area in question on every demand note for gas charges payable to them.

45 Provisions as to regulations and orders

- (1) Any power conferred by this Act to make regulations or orders shall include power to provide by those regulations or orders for the determination of questions of fact or of law which may arise in giving effect to the regulations or orders and for regulating (otherwise than in relation to any court proceedings) any matters relating to the

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practice and procedure to be followed in connection with the determination of such questions, including provision as to the mode of proof of any matters and provision as to parties and their representation and provision for the right to appear and be heard (as well in court proceedings as otherwise) of the Secretary of State or other authorities, and as to awarding costs of proceedings (other than court proceedings) for the determination of such questions, determining the amount thereof and the enforcement of awards thereof.

- (2) Any power conferred by this Act to prescribe by regulations a period within which things are to be done shall include power to provide by those regulations for extending the period so prescribed.
- (3) Any power conferred by this Act to make regulations or orders may be exercised so as to make different provision for different areas or in relation to different cases or different circumstances to which the power is applicable, and so as to provide for such exceptions, limitations and conditions as the Secretary of State considers necessary or expedient.
- (4) Any power conferred by this Act to make regulations or orders shall be exercisable by statutory instrument which, except in the case of an order appointing a day or an instrument which is required to be laid before Parliament in draft, shall be subject to annulment in pursuance of a resolution of either House of Parliament.
- (5) Any order made under any such power may be revoked or varied by a subsequent order made in the like manner and subject to the like conditions; but an order appointing a day shall not be revoked or varied by virtue of this subsection by an order made on or after that day.

46 Inquiries

- (1) The Secretary of State may cause an inquiry to be held in any case when he deems it advisable to do so in connection with any matter arising under this Act, and subsections (2) to (5) of section 290 of the Local Government Act 1933 shall apply to any inquiry held by the Secretary of State in pursuance of this section, and shall have effect as if the expression " department" included the Secretary of State:

Provided that no local authority shall be ordered to pay costs under subsection (4) of the said section 290 in the case of any inquiry unless they are a party thereto.

- (2) Subsections (2) to (9) of section 355 of the Local Government (Scotland) Act 1947 shall apply to any inquiry held under the preceding subsection in Scotland in lieu of the enactments therein mentioned:

Provided that no local authority shall be directed under subsection (8) of the said section to pay any part of the expenses incurred in relation to any inquiry unless the authority are a party thereto.

47 Expenses and receipts of Secretary of State etc.

Any administrative expenses incurred under this Act by the Secretary of State or by any other Minister of the Crown or government department shall be paid out of moneys provided by Parliament; and any sums received by the Secretary of State or by any other Minister of the Crown or government department under or by virtue of this Act shall, except as provided by section 20(4) of this Act, be paid into the Consolidated Fund.

48 Interpretation

(1) In this Act the following expressions have the following meanings except where the context otherwise requires—

" appointed day " means the day appointed by the Secretary of State under section 1(1) of this Act;

" Area Board " means an Area Board established under the Gas Act 1948;

" British Gas Stock " has the meaning given by section 21(1) of this Act;

" calorific value " and " declared calorific value " have the meanings given by section 25(1) of this Act;

" company " means a company incorporated by any enactment or by Royal Charter, any company within the meaning of the Companies Act 1948 and any company registered or incorporated outside Great Britain;

" the Corporation " means the British Gas Corporation;

" emoluments " includes any allowances, privileges or benefits, whether obtaining legally or by customary practice;

" enactment " means any provision of a public general Act, of a local, private or personal Act, of a provisional order confirmed by an Act or of any regulation or order made under an Act;

" financial year ", in relation to the Corporation, means a period of twelve months ending with a day to be prescribed, so however that the first financial year shall be the period of whatever length running from the end of the last full financial year of the Gas Council as such until the first occurrence of the prescribed day after the appointed day, and, in the case of any alteration of the prescribed day, the duration of the financial year as to which the alteration is first to have effect shall be shortened or extended as may be prescribed, by not more than six months, so as to end on the new prescribed day ;

" functions " means duties and powers ;

" gas fittings " means gas pipes, fittings, meters, apparatus and appliances designed for use by consumers of gas for lighting, heating, motive power and other purposes for which gas can be used ;

" gasworks " means works for the manufacture of gas and gas holders, and any works used in connection with such works or holders ;

" holding company " shall be construed in accordance with section 154 of the Companies Act 1948 ;

" local enactment " means any enactment except one contained in or made under a public general Act, and also includes any provision of the Metropolis Gas Act 1860 and the Metropolis Gas Act 1861 ;

" the National Council " means the National Gas Consumers' Council;

" natural gas " means any gas derived from natural strata ;

" pension ", in relation to any person, means a pension, whether contributory or not, of any kind whatsoever payable to or in respect of him, and includes a gratuity so payable and a return of contributions to a pension fund with or without interest thereon or any other addition thereto:

" pension rights " includes, in relation to any person, all forms of right to, or eligibility for, the present or future payment of a pension to or in respect of that person, and any expectation of the accruer of a pension to or in respect of that person under any customary practice and includes a right of allocation in respect of the present or future payment of a pension;

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" pension scheme " includes any form of arrangements for the payment of pensions, whether subsisting by virtue of an Act, trust, contract or otherwise;

" plant " includes any equipment, apparatus and appliances except gas fittings;

" prescribed " means prescribed by regulations;

" Regional Council " means a Regional Gas Consumers' Council;

" regulations " means regulations made by the Secretary of State;

" subsidiary " shall be construed in accordance with section 154 of the Companies Act 1948, and " wholly owned subsidiary " in accordance with section 150(4) of that Act;

" therm " means 100,000 British thermal units.

- (2) References in this Act to any other enactment shall be construed as references to that enactment as amended by any other enactment including this Act.

49 Amendments, savings, transitional provisions and repeals

- (1) The enactments mentioned in Part I of Schedule 6 to this Act shall have effect as from the appointed day subject to the minor and consequential amendments there specified; and the provisions of Part II of that Schedule shall have effect with respect to the enactments there mentioned.

- (2) This Act shall have effect subject to the savings and transitional provisions contained in Schedule 7 to this Act.

- (3) The enactments specified in Schedule 8 to this Act are hereby repealed as from the appointed day to the extent specified in the third column of that Schedule:

Provided that the repeal of the London Gas Undertakings (Regulations) Act 1939 shall have effect as from such day as the Secretary of State may by order appoint for that particular purpose.

50 Short title and extent

- (1) This Act may be cited as the Gas Act 1972.

- (2) This Act, except section 33(2) and the provisions thereof relating to the House of Commons Disqualification Act 1957 (that is to say, paragraph 4 of Schedule 3, paragraph 7 of Schedule 6, and the repeals in that Act effected by Schedule 8), does not extend to Northern Ireland.