



Petroleum and Submarine Pipe-lines Act 1975

1975 CHAPTER 74

PART III

SUBMARINE PIPE-LINES

Construction and use of pipe-lines

20 Control of construction and use of pipe-lines in territorial and continental-shelf waters

(1) No person shall—

- (a) execute in, under or over any controlled waters any works for the construction of a pipe-line except works for the completion of a pipe-line of which the construction was begun before the coming into force of this subsection; or
- (b) use a controlled pipe-line of which the construction was begun after the coming into force of this subsection,

unless he is authorised in writing by the Secretary of State to do so and the works are or the use is in accordance with the terms of the authorisation.

(2) In this Act—

" controlled pipe-line " means so much of any pipe-line as is in, under or over controlled waters ; and

" controlled waters " means the territorial sea adjacent to the United Kingdom and the sea in any designated area within the meaning of the Continental Shelf Act 1964.

21 Authorisations for pipe-lines

- (1) The provisions of Part I of Schedule 4 to this Act shall have effect with respect to applications for and notice of works, authorisations, and the provisions of Part II of that Schedule shall have effect with respect to notice of other authorisations.
- (2) It shall be the duty of the Secretary of State not to issue an authorisation to a person other than a body corporate.
- (3) Any authorisation in respect of a controlled pipe-line may contain such terms as the Secretary of State thinks appropriate including in particular, without prejudice to the generality of the preceding provisions of this subsection, terms as to—
 - (a) the duration of the authorisation, including the method of ascertaining its duration ;
 - (b) the persons or kinds of persons who are authorised to execute the works in question or to use the pipe-line or are so authorised if the Secretary of State consents to the execution of the works or the use of the pipeline by them;
 - (c) in the case of a works authorisation, the route of the pipe-line, the boundaries within which any works may be executed in pursuance of the authorisation, the design and capacity of the pipe-line or of part of it and the steps to be taken to avoid or reduce interference by the pipe-line with fishing or with other activities connected with the sea or the sea bed or subsoil;
 - (d) the things authorised to be conveyed by the pipe-line ;
 - (e) the steps to be taken for the purpose of ensuring that funds are available to discharge any liability for damage attributable to the release or escape of any thing from the pipe-line ;
 - (f) the transactions relating to the pipe-line which are not to be entered into, and the other things relating to the pipe-line which are not to be done, without the consent of the Secretary of State ;
 - (g) the persons who may be permitted to acquire an interest in the pipe-line and who may not be permitted to retain such an interest;
 - (h) the operation of the pipe-line, including the methods by which it is to be operated and the persons by whom it may be operated;
 - (i) the information to be furnished in respect of the pipeline ; and
 - (j) the giving by the Secretary of State, with respect to matters specified in the authorisation, of directions which shall have effect as terms of the authorisation.
- (4) Except in a case where the Secretary of State considers that there are special circumstances by reason of which the duration of an authorisation should be limited, the terms as to its duration which are included in an authorisation shall provide for its duration to be unlimited unless the authorisation ceases to be in force by virtue of the following provisions of this Part of this Act.
- (5) Where a works authorisation contains a term requiring that the capacity of the controlled pipe-line to which it relates or of any part of the pipe-line shall be greater than that proposed in the application for the authorisation or requiring that any of the route of the pipe-line shall be different from that so proposed then, subject to section 23(4) of this Act, the Secretary of State may serve on the holder of the authorisation, and on any other person who made representations to the Secretary of State that the capacity proposed as aforesaid should be greater or that any of the route so proposed should be different, a notice—

- (a) specifying the sums or the method of determining the sums which the Secretary of State considers should be paid to the holder by the other person for the purpose of defraying so much of the cost of constructing the pipe-line as is attributable to the term ;
- (b) requiring the other person to make, within a period specified in that behalf in the notice, arrangements which the Secretary of State considers are appropriate for the purpose of securing that those sums will be paid to the holder if he constructs the pipe-line or a relevant part of it in accordance with the term or satisfies the Secretary of State that he will so construct it;
- (c) providing that the holder may, if such arrangements are not made by the other person within that period, elect in the manner specified in the notice that—
 - (i) the term shall have effect with such modifications as are so specified with a view to eliminating the consequences of the representations of the other person, and
 - (ii) the provisions included in the notice by virtue of the following paragraph shall cease to have effect; and
- (d) authorising the holder, if he satisfies the Secretary of State that the pipe-line or a relevant part of it has been or will be constructed in accordance with the term, to recover those sums from the other person.

22 Compulsory increases in capacity etc of pipe-lines

- (1) If in the case of a controlled pipe-line it appears to the Secretary of State, on the application of a person other than the owner of the pipe-line—
 - (a) that the capacity of the pipe-line can and should be increased by modifying apparatus and works associated with the pipe-line ; or
 - (b) that the pipe-line can and should be modified by installing in it a junction through which a pipe may be connected to the pipe-line,then, subject to subsection (5) of the following section, the Secretary of State may, after giving to the owner of the pipeline an opportunity of being heard about the matter, serve on the owner and the applicant a notice—
 - (i) specifying the modifications connected with the pipe-line which the Secretary of State considers should be made in consequence of the application;
 - (ii) specifying the sums or the method of determining the sums which the Secretary of State considers should be paid to the owner by the applicant for the purpose of defraying the cost of the modifications ;
 - (iii) requiring the applicant to make, within a period specified in that behalf in the notice, arrangements which the Secretary of State considers appropriate for the purpose of securing that those sums will be paid to the owner if he carries out the modifications or satisfies the Secretary of State that he will carry them out;
 - (iv) requiring the owner, if the applicant makes those arrangements within the period aforesaid, to carry out the modifications within a period specified in that behalf in the notice; and
 - (v) authorising the owner, if he satisfies the Secretary of State that he has carried out or will carry out the modifications, to recover those sums from the applicant.
- (2) References in the preceding subsection to modifications include, in the case of modifications of any apparatus and works, references to changes in, substitutions for and additions to the apparatus and works.

- (3) It is hereby declared that for the purposes of section 20(1) of this Act a notice in pursuance of this section requiring a person to carry out modifications authorises him to carry out the modifications; but nothing in Schedule 4 to this Act shall apply to such a notice.

23 Acquisition by persons of rights to use pipe-lines belonging to others

- (1) If a person applies to the Secretary of State for a notice in pursuance of this section which secures to the applicant a right to have conveyed, by a controlled pipe-line of which he is not the owner, quantities specified in the application of things which are of a kind so specified and which the pipe-line is designed to convey, it shall be the duty of the Secretary of State to consider the application and, before he considers it, to give to the owner of the pipe-line and the applicant—
- (a) notice that he proposes to consider it; and
 - (b) an opportunity, after the expiration of the period of twenty-one days beginning with the date of service of the notice, of being heard with respect to the application.
- (2) Where after considering an application in pursuance of the preceding subsection the Secretary of State is satisfied that, if he served notice in accordance with the following subsection in consequence of the application, the pipe-line in question could be operated in accordance with the notice without prejudicing the efficient operation of it for the purpose of conveying, on behalf of its owner, the quantities which the owner requires or may reasonably be expected to require of the things which may be conveyed by it in pursuance of an authorisation (or, if no authorisation for the use of the pipe-line is required by section 20 of this Act, of the things which the pipe-line is designed to convey), the Secretary of State may serve such a notice on the owner and the applicant.
- (3) A notice served in pursuance of the preceding subsection may contain such provisions as the Secretary of State considers appropriate for all or any of the following purposes, namely—
- (a) for securing to the applicant, without prejudicing the efficient operation of the pipe-line for the purpose mentioned in the preceding subsection, the right to have conveyed by the pipe-line the quantities specified in the application of the things so specified ;
 - (b) for securing that the exercise of the right is not prevented or impeded;
 - (c) for regulating the charges which may be made for the conveyance of things by virtue of the right;
 - (d) for securing to the applicant the right to have a pipe and apparatus of his connected to the pipe-line by the applicant or the owner ;
- and such a notice may also authorise the owner to recover from the applicant payments by way of consideration for any such right of such amounts as may be specified in the notice or determined in accordance with provisions in that behalf contained in the notice.
- (4) Where the Secretary of State proposes to serve a notice in pursuance of subsection (5) of section 21 of this Act on a person other than the holder of the relevant authorisation, it shall be his duty before doing so to give that person an opportunity of making an application in pursuance of subsection (1) of this section in respect of the proposed pipe-line to which the authorisation relates; and subsections (1) to (3) of this section shall have effect in relation to such an application made by virtue of this subsection

as if for references to a pipe-line and the owner of it there were substituted references to the proposed pipe-line and the proposed owner of it.

- (5) Where the Secretary of State proposes to serve a notice in pursuance of subsection (1) of the preceding section on a person other than the owner of the relevant pipe-line, it shall be his duty before doing so to give that person particulars of the modifications which he proposes to specify in the notice and an opportunity of making an application in pursuance of subsection (1) of this section in respect of the pipe-line; and subsections (1) to (3) of this section shall have effect in relation to such an application made by virtue of this subsection as if for references to a pipe-line there were substituted references to the pipe-line as it would be with those modifications.
- (6) The use of a pipe-line by any person in accordance with a right secured to him by virtue of this section is not a contravention of section 20(1) of this Act; but a person to whom a right is so secured shall not be entitled to assign the right to any other person.

24 Termination of authorisations

- (1) An authorisation shall cease to be in force—
 - (a) in the case of an authorisation which does not contain terms providing for its duration to be unlimited, on the expiration of the period of its duration as specified by or ascertained under the terms of the authorisation unless it has previously ceased to be in force by virtue of the following provisions of this subsection ; or
 - (b) if the holder and the Secretary of State agree in writing that the authorisation is to cease to be in force at a particular time during its currency, at that time; or
 - (c) if the Secretary of State serves a notice on the holder in pursuance of—
 - (i) the duty imposed on the Secretary of State by the following subsection, or
 - (ii) the provisions of subsection (4) of this section,at the time specified in the notice.
- (2) If it appears to the Secretary of State that the execution of works authorised by a works authorisation (disregarding the execution of any of the works which he considers should be disregarded for the purposes of this subsection) has not been begun at the expiration of—
 - (a) the period of three years beginning with the date when the authorisation is expressed to come into force ; or
 - (b) such longer period beginning with that date as the Secretary of State has, on the application of the holder, specified in a notice served for the purposes of this paragraph on the holder during the said period of three years,it shall be the duty of the Secretary of State to serve on the holder a notice stating that the authorisation is to cease to be in force at a time specified in the notice.
- (3) The Secretary of State shall not serve notice in pursuance of an application made by virtue of paragraph (b) of the preceding subsection unless—
 - (a) he is satisfied that notice of the application has been served on—
 - (i) the persons on whom, in pursuance of Schedule 4 to this Act, notice was served of the application in consequence of which the relevant authorisation was issued or on such of those persons as the Secretary of State considers appropriate in the circumstances, and

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- (ii) such other persons, if any, as he considers appropriate in the circumstances; and
 - (b) he has considered any representations about the application made by virtue of the said paragraph (b) which were made to him in writing, during such a period as he considers reasonable, by any of the persons as to whom he is satisfied as mentioned in the preceding paragraph.
- (4) If the Secretary of State is of opinion, after giving the holder of an authorisation an opportunity of making representations in writing to him about the matter and considering any such representations then made by the holder, that the holder—
- (a) has contravened a term of the authorisation; or
 - (b) has contravened any provision of a notice which, in pursuance of section 22 or 23 of this Act, was served on him in his capacity as the owner of the pipe-line or the proposed owner of the proposed pipe-line to which the authorisation relates,

the Secretary of State may serve on the holder a notice stating that the authorisation is to cease to be in force at a time specified in the notice; but the Secretary of State shall not serve such a notice on the holder in consequence of a contravention if the Secretary of State considers that, having regard to the nature and consequences of the contravention and to any previous contravention, it would be unreasonable to terminate the authorisation in consequence of the contravention and that the holder has taken adequate steps to prevent similar contraventions in future.

- (5) When an authorisation ceases to be in force it shall be the duty of the Secretary of State to publish in the London and Edinburgh and Belfast Gazettes, or in such of them as he considers appropriate, a notice stating that it has ceased to be in force.

25 Vesting of pipe-lines on termination or subsequent issue of authorisations

- (1) When an authorisation ceases to be in force the controlled pipe-line to which it relates shall, by virtue of this subsection, be transferred to and vest in the Secretary of State free from encumbrances, except that nothing in this subsection prejudices—
- (a) any interest belonging to the Crown Estate or to Her Majesty in right of the Duchy of Lancaster or to the Duchy of Cornwall; or
 - (b) any right conferred by a notice served in respect of the pipe-line in pursuance of section 23 of this Act.
- (2) Where the Secretary of State proposes to issue an authorisation to any person in respect of a pipe-line vested in the Secretary of State by virtue of the preceding subsection he may agree with that person, on terms which may include provision for the making of payments by that person to the Secretary of State, that the authorisation is to include a statement that this subsection applies to the authorisation; and where an authorisation includes such a statement the pipe-line to which the authorisation relates shall, by virtue of this subsection and at the time specified in that behalf in the authorisation, be transferred to and vest in the holder of the authorisation subject to any interest or right then subsisting in respect of the pipeline by virtue of paragraph (a) or (b) of the preceding subsection.
- (3) It shall be the duty of the Secretary of State to pay into the National Oil Account any sums received by him by way of such payments as are mentioned in the preceding subsection.