



# Oil and Gas (Enterprise) Act 1982

## 1982 CHAPTER 23

### PART II

#### GAS

##### *The British Gas Corporation*

#### **9 Gas Corporation's powers of disposal**

- (1) Without prejudice to any powers conferred on it by any other enactment, the British Gas Corporation (in this Act referred to as " the Gas Corporation ") shall, subject to subsection (2) below, have power to provide for the disposal, in such manner as it thinks fit, of—
  - (a) any shares of a relevant subsidiary ;
  - (b) the whole or any part of the undertaking of, or any property, rights or liabilities of, a relevant subsidiary; or
  - (c) any part of the undertaking of, or any property, rights or liabilities of, the Corporation.
- (2) The Gas Corporation shall not, and shall secure that each member of the group does not, dispose of any shares of a relevant subsidiary except with the consent of the Secretary of State and in accordance with any conditions specified in the instrument signifying his consent; and the Secretary of State shall not give any such consent except with the approval of the Treasury.
- (3) In exercising its powers under subsection (1)(a) above the Gas Corporation may, with the consent of the Secretary of State, provide for employees' share schemes to be established in respect of subsidiaries of the Corporation; and any such scheme may provide for the transfer of shares without consideration.
- (4) In determining for the purposes of this Part whether any subsidiary of the Gas Corporation is a relevant subsidiary, any shares of, the subsidiary which cease or have ceased to be held by or on behalf of one or more members of the group after 17th

December 1981 and before the coming into force of subsection (2) above shall be treated as continuing to be so held.

(5) In this section and sections 10 and 11 below—

"group" means the Gas Corporation and all relevant subsidiaries taken together;

"relevant subsidiary" means a wholly owned subsidiary of the Corporation;

"subsidiary" and "wholly owned subsidiary" have the same meanings as in the Gas Act 1972 (in this Act referred to as "the 1972 Act").

## 10 Provisions supplementary to section 9

(1) For the purpose of facilitating the eventual disposal under section 9(1)(a) above of—

(a) any part of the undertaking of, or any property, rights or liabilities of, the Gas Corporation ; or

(b) the whole or any part of the undertaking of, or any property, rights or liabilities of, a relevant subsidiary,

the Corporation may exercise its powers to establish subsidiaries, to secure increases in the capital of subsidiaries and to transfer property, rights and liabilities to subsidiaries, notwithstanding the provisions of any enactment which may be taken to limit the purposes for which those powers may be exercised.

(2) The Gas Corporation may also, for the said purpose, make schemes for the transfer, between the Corporation and a relevant subsidiary or between one such subsidiary and another, of—

(a) any prescribed property, rights or liabilities ;

(b) all property, rights and liabilities comprised in, or in a prescribed part of, the transferor's undertaking.

(3) A scheme under subsection (2) above may—

(a) provide that any prescribed rights or liabilities of the transferor shall be enforceable either by or against either party or by or against both ;

(b) for the purpose of dealing with matters arising out of or related to the transfer, confer or impose on either party rights or liabilities which are to be enforceable against or by the other;

(c) provide that for the purposes of section 19 of the 1972 Act (borrowing limit) the aggregate there mentioned shall be determined as if any money borrowed by the transferor the liability to repay which is transferred were money borrowed by the transferee ;

and may contain such other supplementary, incidental and consequential provisions (including provisions as to the construction of agreements, licences and other documents) as may appear to the Gas Corporation to be necessary or expedient.

(4) A scheme under subsection (2) above may also provide that—

(a) prescribed securities of the transferee shall be issued to the transferor in consideration of the transfer and shall be credited as fully paid up ;

(b) for the purposes of section 56 of the Companies Act 1948 (share premium account) and of any statutory accounts of the transferee, the value of any asset and the amount of any liability transferred shall be taken to be the value or (as the case may be) the amount which would have been assigned to that asset or

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- liability for the purposes of the statutory accounts prepared by the transferor in respect of its last accounting period ending before the transfer date if that period had ended immediately before that date ;
- (c) a prescribed amount not exceeding the accumulated realised profits of the transferor at the transfer date shall be treated by the transferee as a reserve which represents its profits available for distribution (within the meaning of Part III of the Companies Act 1980);
  - (d) in ascertaining for the purposes of the said section 56 what amount (if any) falls to be treated as a premium received on the issue of any shares in pursuance of any provision made by virtue of paragraph (a) above, the amount of the net assets transferred shall be taken to be reduced by an amount corresponding to the amount of any reserve for which provision is made by virtue of paragraph (c) above ;
  - (e) subject to any provision made by virtue of the preceding provisions of this subsection, for the purposes of any statutory accounts of the transferee the amount to be included in respect of any item shall be determined as if any relevant thing done by the transferor (whether by way of acquiring, revaluing or disposing of any asset or incurring, revaluing or discharging any liability, or by carrying any amount to any provision or reserve, or otherwise) had been done by the transferee.
- (5) A scheme under subsection (2) above shall not come into force until it is approved by the Secretary of State or until such date as the Secretary of State may in giving his approval specify ; and the Secretary of State may approve a scheme either without modifications or with such modifications as, after consultation with the Gas Corporation, he thinks fit.
- (6) On the coming into force of a scheme under subsection (2) above—
- (a) the property, rights and liabilities to be transferred shall, subject to subsection (7) below, be transferred and vest in accordance with the scheme ; and
  - (b) any provision made by virtue of subsection (3) or (4) above shall have effect in accordance with the scheme, notwithstanding any rule of law and the provisions of any enactment.
- (7) Schedule 1 to this Act shall apply to any transfer under paragraph (a) of subsection (6) above and that paragraph shall have effect subject to the provisions of that Schedule.
- (8) In this section " statutory accounts " means—
- (a) in relation to the Gas Corporation, a statement of accounts prepared by the Corporation in accordance with section 23 of the 1972 Act;
  - (b) in relation to any other party, accounts prepared by that party for the purposes of any provision of the Companies Acts 1948 to 1981 (including group accounts);
- and in this section and in Schedule 1 to this Act " prescribed ", in relation to a scheme under subsection (2) above, means specified or described in or determined in accordance with the scheme.

## **11 Powers of Secretary of State as respects disposals by Gas Corporation**

- (1) The Secretary of State may, after consultation with the Gas Corporation, give directions to the Corporation requiring it to exercise its powers under sections 9 and

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- 10 above (including the powers extended by section 10(1) above) for such purposes and in such manner as may be specified in the directions.
- (2) The matters to which the Secretary of State shall have regard in exercising his powers under subsection (1) above shall include, in particular, the need to secure 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 through pipes, or from the use of gas supplied through pipes.
- (3) For the purpose of facilitating a disposal under section 9(1)(a) above, the Secretary of State may by order provide that, in its application to any relevant subsidiary specified in the order, the 1972 Act shall have effect with such modifications as may be so specified.
- (4) If and to the extent that the Secretary of State, after consultation with the Gas Corporation, so directs, the Corporation shall pay to the Secretary of State any sums received by it or a relevant subsidiary on a disposal of—
- (a) any shares of a relevant subsidiary;
  - (b) the whole or any part of the undertaking of, or any property, rights or liabilities of, a relevant subsidiary ; or
  - (c) any part of the undertaking of, or any property, rights or liabilities of, the Corporation,
- being a disposal effected on or after the commencement date or in pursuance of a direction given under section 7(2) of the 1972 Act.
- (5) The Secretary of State may by order transfer to himself or a nominee of his any shares of a company which is or has been a relevant subsidiary of the Gas Corporation, being shares held by or on behalf of one or more members of the group ; and any shares transferred by an order under this subsection shall vest in the Secretary of State or the nominee by virtue of the order.
- (6) If an order under subsection (5) above so provides, the Secretary of State shall pay to the transferor such sum by way of consideration for the shares as may be specified in the order.
- (7) In determining for the purposes of the 1972 Act or this Part whether any company is a relevant subsidiary or a subsidiary of the Gas Corporation, any shares of the company held by the Secretary of State or a nominee of his shall be treated as held by the Corporation.
- (8) The Secretary of State shall not give any direction or make any order under this section except with the approval of the Treasury; and except as aforesaid neither the Secretary of State nor a nominee of his shall dispose of any shares held by virtue of this section.
- (9) Any sums required by the Secretary of State for making payments under subsection (6) above shall be paid out of money provided by Parliament; and any sums received by the Secretary of State under subsection (4) above and any dividends or other sums received by the Secretary of State or a nominee of his in right of, on the disposal of, or otherwise in connection with, any shares held by virtue of this section shall be paid into the Consolidated Fund.

### *Supply of gas by persons other than Gas Corporation*

## **12 Supply of gas by other persons**

(1) For section 29 of the 1972 Act there shall be substituted the following sections—

### **“29 Restrictions on supply by other persons.**

- (1) Subject to section 29A below, the Secretary of State's consent is required for gas to be supplied through pipes to any premises, except supply by or to the Corporation.
- (2) Consent is not to be given to the supply of gas by any person to premises situated within 25 yards from a distribution main of the Corporation unless either—
  - (a) the Secretary of State is of the opinion that the rate of supply to those premises would be likely to exceed 25,000 therms a year; or
  - (b) the Corporation, having been given the opportunity to do so, have not objected to the giving of consent.
- (3) The Secretary of State's consent may be given—
  - (a) either unconditionally or subject to conditions ; and
  - (b) either with reference to particular cases or by means of orders of general application.
- (4) A specific consent given to any person (that is to say, consent given to him otherwise than by order of general application) is irrevocable and may be given for a specified period or indefinitely.
- (5) Where consent has been given by an order of general application, any person who proposes to undertake a supply which is covered by that general consent may notify the Secretary of State of his proposal (in the manner specified by the order), whereupon subsection (4) above applies as if specific consent either unlimited in duration or, if the order so provides, for the period there specified had been given to him for that supply.
- (6) For the purposes of this section—
  - (a) a person providing gas for his own use shall not in so doing be deemed to supply 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.

### **29A Exceptions to section 29.**

- (1) Where a person (in this section referred to as a supplier) notifies the Secretary of State that he proposes to undertake a supply of gas to any premises at a rate in excess of 2,000,000 therms a year (in this section referred to as 'the required rate'), the Secretary of State's consent under section 29 above is not required for that supply unless, within six weeks of receiving the notification, the Secretary of State notifies the supplier either—

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- (a) that he is of the opinion that the rate of supply to those premises would be unlikely to exceed the required rate ; or
  - (b) that he is unable to form an opinion as to whether the rate of supply to those premises would or would not be likely to exceed the required rate.
- (2) Where a supplier has given the Secretary of State a notification under subsection (1) above and—
- (a) the rate of supply to the premises to which the notification relates fails to exceed the required rate for three successive periods of twelve months;
  - (b) the supplier fails to furnish the Secretary of State with such information as he may require for the purpose of determining whether the condition in paragraph (a) above is fulfilled ; or
  - (c) the supplier fails to afford the Secretary of State with such facilities as he may require for the purpose of verifying any information furnished in pursuance of such a requirement as is mentioned in paragraph (b) above,
- the Secretary of State may direct that the supplier's notification shall be treated as invalid for the purposes of that subsection except as regards gas previously supplied.”
- (2) Section 4 of the 1934 Act and section 8 of the Energy Act 1976 (which are superseded by this section) shall cease to have effect.
- (3) Each of the following, namely—
- (a) an authorisation given by the Secretary of State under the said section 4 ;
  - (b) a consent given by him or by the Gas Corporation under the said section 8 ; and
  - (c) a consent given by the Corporation under section 29 of the 1972 Act either as originally enacted or as amended by the said section 8,
- shall have effect as if it were a consent given by the Secretary of State under the said section 29 as substituted by this section.

### 13 Standards of quality

- (1) After section 29A of the 1972 Act there shall be inserted the following section—

**“29B Standards of quality Power to prescribe standards.**

- (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 through pipes, and may after such consultation prescribe other standards with respect to the properties, condition and composition of gas so supplied.
- (2) The Secretary of State shall after consultation with such persons and organisations as he considers appropriate prescribe standards of pressure and purity to be complied with by persons other than the Corporation in supplying gas through pipes, and may after such consultation prescribe standards of uniformity of calorific value and other standards with respect to the properties, condition and composition of gas so supplied.

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- (3) The Secretary of State shall appoint competent and impartial persons to carry out tests of gas supplied through pipes for the purpose of ascertaining whether it conforms with the standards prescribed under this section and (in the case of gas supplied by the Corporation) whether it is of the declared calorific value.
- (4) Regulations may provide—
- (a) for determining the places at which such tests are to be carried out,
  - (b) for requiring premises, apparatus and equipment to be provided and maintained by persons supplying gas through pipes (in this section referred to as suppliers) for the purpose of carrying out such tests,
  - (c) for persons representing the supplier concerned 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 suppliers 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.
- (5) There shall be paid out of money provided by Parliament to the persons appointed under subsection (3) above such remuneration and such allowances as may be determined by the Secretary of State with the approval of the Treasury, and such pensions as may be so determined may be paid out of money provided by Parliament to or in respect of those persons.
- (6) Every person who is a supplier during any period shall pay to the Secretary of State such proportion as the Secretary of State may determine of—
- (a) any sums paid by him under subsection (5) above in respect of that period ; and
  - (b) such part of his other expenses for that period 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 under this subsection to pay to the Secretary of State sums on account of pensions (whether paid by him under subsection (5) 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 Treasury, by reference to remuneration.
- (7) The reference in subsection (6) above to expenses of the Secretary of State includes a reference to expenses incurred by any government department in connection with the Department of Energy, 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.”
- (2) Section 26 of the 1972 Act (which is superseded by this section) shall cease to have effect.

## 14 Safety regulations

For section 31 of the 1972 Act there shall be substituted the following section—

**“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 through pipes, or from the use of gas supplied through pipes.
- (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 relevant authority, 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, 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 is used for the supply of gas or is connected with gas mains,
  - (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 cut off the supply of gas to the premises or, if no such supply is being given, to signify the refusal of the relevant authority to give or, as the case may be, allow 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 relevant authority or in pursuance of any directions given by the Secretary of State as mentioned in subsection (3) (c) above, from—



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- (a) reconnecting any gas fitting or part of any gas supply system which has been disconnected by or on behalf of the relevant authority in 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 relevant authority in the exercise of any such power, or
  - (c) causing gas from gas mains to be supplied to any premises where in pursuance of the regulations the refusal of the relevant authority to give or, as the case may be, allow a supply to those premises has been signified and that refusal has not been withdrawn.
- (5) Where in pursuance of any powers conferred by regulations made under this section, entry is made on any premises by an officer authorised by the relevant authority, the officer shall ensure that the premises are left not less secure by reason of the entry ; and the relevant authority shall make good, or pay compensation for, any damage caused by the officer, or by any person accompanying him in entering the premises, in taking any action therein authorised by the regulations, or in making the premises secure.
- (6) If any person wilfully obstructs any officer exercising powers conferred by regulations made under this section, he shall be guilty of an offence and liable on summary conviction to a fine not exceeding £200.
- (7) The Rights of Entry (Gas and Electricity Boards) Act 1954 (entry under a justice's warrant) shall apply in relation to any powers of entry conferred by regulations made under this section as if—
- (a) any reference to the Corporation were a reference to the relevant authority, and
  - (b) any reference to an employee of the Corporation were a reference to an officer authorised by the relevant authority.
- (8) 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.
- (9) In this section ' the relevant authority '—
- (a) in relation to dangers arising from the distribution of gas by the Corporation, or from the use of gas supplied by the Corporation, means the Corporation, and
  - (b) in relation to dangers arising from the distribution of gas by a person other than the Corporation, or from the use of gas supplied by such a person, means the Secretary of State.”

*Use by other persons of pipe-lines belonging to Gas Corporation*

## **15 Construction of pipe-lines by Gas Corporation**

- (1) The Gas Corporation shall not at any time execute any works for the construction of a high pressure pipe-line unless, not less than two years (or such shorter period as the Secretary of State may allow) before that time, it has given notice to the Secretary of State stating that it intends to execute the works.
- (2) A notice under subsection (1) above shall—

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- (a) specify the points between which the proposed pipe-line is to run and be accompanied by a map (drawn to a scale not less than 1:1,500,000) on which is delineated the route which it is proposed to take ;
  - (b) specify the length, diameter and capacity of the proposed pipe-line, the kind of gas which it is designed to convey and the quantities of gas which the Gas Corporation requires or expects to require to be conveyed by the pipe-line in order to secure the performance by the Corporation of its statutory duties and contractual obligations; and
  - (c) contain such other particulars (if any) as may be prescribed by regulations made by the Secretary of State.
- (3) The Secretary of State shall cause to be published in such publication or publications as he considers appropriate notice of the receipt by him of any notice under subsection (1) above; and a notice so published shall—
- (a) specify the points between which the proposed pipe-line is to run;
  - (b) name a place or places where a copy of the notice under subsection (1) above (and of the map accompanying it) may be inspected free of charge, and copies thereof may be obtained at a reasonable charge, at all reasonable hours; and
  - (c) specify the time within which, and the manner in which, representations may be made as to the matters mentioned in paragraphs (a) and (b) of subsection (4) below.
- (4) Where in the light of any such representations duly made the Secretary of State is satisfied—
- (a) that a demand exists or is likely to arise for the conveyance of gas of, or of a kind similar to, the kind specified in the notice under subsection (1) above; and
  - (b) that the routes along which the gas will require to be conveyed will severally be, as to the whole or any part thereof, the same or substantially the same as the route or any part of the route so specified,
- then, subject to subsection (6) and section 17(4) below, the Secretary of State may give directions to the Corporation in accordance with subsection (5) below.
- (5) Directions under subsection (4) above may—
- (a) require the Gas Corporation to secure that the pipe-line, or any length of it specified in the directions, shall be so constructed as to be capable of conveying quantities so specified of gas of, or of a kind similar to, the kind specified in the notice under subsection (1) above;
  - (b) specify the sums or the method of determining the sums which the Secretary of State considers should be paid to the Corporation by such of the persons who made representations to the Secretary of State as are specified in the directions for the purpose of defraying so much of the cost of constructing the pipe-line as is attributable to that requirement;
  - (c) specify the arrangements which the Secretary of State considers should be made by each of those persons, within a period specified in that behalf in the directions, for the purpose of securing that those sums will be paid to the Corporation if it constructs the pipe-line in accordance with that requirement;
  - (d) provide that the Corporation may, if such arrangements are not made by any of those persons within the period aforesaid, elect in the manner specified in the directions that the requirement shall have effect with such modifications as are so specified with a view to eliminating the consequences of the representations made by that person.

- (6) The Secretary of State shall not give directions under subsection (4) above without first giving the Gas Corporation particulars of the requirement he proposes to specify in the directions and an opportunity of being heard about the matter; and the said particulars must be given to the Corporation within six months of the Secretary of State receiving the notice under subsection (1) above.
- (7) If, after a notice under subsection (1) above has been given to the Secretary of State, the execution of the works to which the notice relates has not been substantially begun at the expiration of three years from the date on which it was given to him, or at the expiration of any extension of that period which he may allow, the notice shall be treated as invalid for the purposes of that subsection except as regards works previously executed.
- (8) This section shall not apply as respects works for the completion of a pipe-line of which the construction was begun before the commencement date or, if the Secretary of State so directs in the case of any works, within three years of that date.
- (9) In this section and sections 16 and 17 below—
  - "gas" has the same meaning as in Part III of the 1972 Act;
  - " high pressure pipe-line " means any pipe-line which—
    - (a) has a design operating pressure exceeding 7 bars; or
    - (b) is of a class specified in an order made by the Secretary of State ;
  - " pipe-line " has the same meaning as in the Pipe-lines Act 1962;
  - " statutory duties", in relation to the Gas Corporation, means the duties imposed on the Corporation by section 2(1) of and paragraph 2 of Schedule 4 to the 1972 Act.

## **16 Increase of capacity etc. of pipe-lines belonging to Gas Corporation**

- (1) If in the case of a pipe-line belonging to the Gas Corporation it appears to the Secretary of State, on the application of a person other than the Corporation—
  - (a) that the pipe-line can and should be modified by installing in it a junction through which another pipe-line may be connected to the pipe-line ; or
  - (b) in the case of a high pressure pipe-line, that the capacity of the pipe-line can and should be increased by modifying apparatus and works associated with the pipeline,then, subject to section 17(4) below, the Secretary of State may, after giving to the Corporation an opportunity of being heard about the matter, give directions to the Corporation in accordance with subsection (2) below in consequence of the application.
- (2) Directions under this section may—
  - (a) specify the modifications which the Secretary of State considers should be made in consequence of the application ;
  - (b) specify the sums or the method of determining the sums which the Secretary of State considers should be paid to the Gas Corporation by the applicant for the purpose of defraying the cost of the modifications ;
  - (c) specify the arrangements which the Secretary of State considers should be made by the applicant, within a period specified in that behalf in the directions, for the purpose of securing that those sums will be paid to the Corporation if it carries out the modifications ;

- (d) require the Corporation, if the applicant makes those arrangements within the period aforesaid, to carry out the modifications within a period specified in that behalf in the directions.
- (3) References in subsections (1) and (2) above to modifications include, in the case of modifications to any apparatus and works, references to changes in, substitutions for and additions to the apparatus and works ; and the reference in subsection (1) above to apparatus and works associated with a pipe-line shall be construed in accordance with section 65(2) of the Pipe-lines Act 1962.

## 17 Acquisition of rights to use pipe-lines belonging to Gas Corporation

- (1) If a person applies to the Secretary of State for directions under this section which enable the applicant to secure a right to have conveyed, by a pipe-line belonging to the Gas Corporation, during a period specified in the application quantities so specified of gas which is of a kind so specified and is of, or of a kind similar to, the kind which the pipe-line is designed to convey, it shall be the duty of the Secretary of State—
- (a) to decide whether the application is to be considered further or rejected;
  - (b) to serve notice of his decision on the applicant; and
  - (c) in the case of a decision that the application is to be considered further, to give the Corporation notice that it is to be so considered and an opportunity of being heard about the matter.
- (2) Where, after further considering an application under subsection (1) above, the Secretary of State is satisfied that the giving of directions under this section would not prejudice the conveyance by the pipe-line of—
- (a) the quantities of gas which the Gas Corporation requires or may reasonably be expected to require to be conveyed by the pipe-line in order to secure the performance by the Corporation of its statutory duties and contractual obligations ; and
  - (b) the quantities of gas which any person who has a right to have gas conveyed by the pipe-line is entitled to require to be so conveyed in the exercise of that right,
- the Secretary of State may give such directions to the Corporation.
- (3) Directions under this section may—
- (a) specify the terms on which the Secretary of State considers the Gas Corporation should enter into an agreement with the applicant for all or any of the following purposes—
    - (i) for securing to the applicant the right to have conveyed by the pipe-line during the period specified in the directions the quantities so specified of gas which is of the kind so specified ;
    - (ii) for securing that the exercise of that right is not prevented or impeded ;
    - (iii) for regulating the charges which may be made for the conveyance of gas by virtue of that right;
    - (iv) for securing to the applicant the right to have a pipe-line of his connected to the pipe-line by the Corporation;
  - (b) specify the sums or the method of determining the sums which the Secretary of State considers should be paid by way of consideration for any such right; and

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- (c) require the Corporation, if the applicant pays or agrees to pay those sums within a period specified in that behalf in the directions, to enter into an agreement with him on the terms so specified.
- (4) Where the Secretary of State proposes to give directions to the Gas Corporation under section 15(4) or 16 above, it shall be his duty before doing so—
- (a) in the case of directions under section 15(4) above, to give to any person whom he proposes to specify in the directions particulars of the requirement he proposes so to specify and an opportunity of making an application under subsection (1) above in respect of the proposed pipe-line; and
  - (b) in the case of directions under section 16 above, to give to the applicant particulars of the modifications he proposes to specify in the directions and an opportunity of making such an application in respect of the pipeline ;
- and subsections (1) to (3) above 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 proposed pipe-line or, as the case may be, the pipe-line as it would be with those modifications.
- (5) Any reference in this section to a right to have a quantity of gas of any kind conveyed by a pipe-line is a reference to a right—
- (a) to introduce that quantity of gas of that kind at one point in the pipe-line ; and
  - (b) to take off such quantity as may be appropriate of gas of, or of a kind similar to, that kind at another point in the pipe-line.
- (6) Any reference in a deed or other instrument or document to the functions of the Gas Corporation shall be taken to include a reference to any obligations arising under an agreement entered into by the Corporation in pursuance of directions given under this section.