



# Gas Act 1986

## 1986 CHAPTER 44

### PART I

#### GAS SUPPLY

##### *Supply of gas by public gas suppliers*

#### **9 General powers and duties**

- (1) It shall be the duty of a public gas supplier—
  - (a) to develop and maintain an efficient, co-ordinated and economical system of gas supply ; and
  - (b) subject to paragraph (a) above, to comply, so far as it is economical to do so, with any reasonable request for him to give a supply of gas to any premises.
- (2) It shall also be the duty of a public gas supplier to avoid any undue preference in the supply of gas to persons entitled to a supply in pursuance of section 10(1) below.
- (3) The following provisions shall have effect, namely—
  - (a) Schedule 3 to this Act (which provides for the acquisition of land by public gas suppliers); and
  - (b) Schedule 4 to this Act (which relates to the breaking up of streets and bridges by such suppliers).

#### **10 Duty to supply certain premises**

- (1) Subject to the following provisions of this Part and any regulations made under those provisions, a public gas supplier shall, upon being required to do so by the owner or occupier, give and continue to give a supply of gas to any premises which—
  - (a) are situated within 25 yards from a relevant main of the supplier ; or
  - (b) are connected by a service pipe to any such main,and in the case of premises falling within paragraph (a) above, shall also provide and lay any pipe that may be necessary for that purpose.

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- (2) Where any person requires a supply of gas in pursuance of subsection (1) above, he shall serve on the public gas supplier a notice specifying—
- (a) the premises in respect of which the supply is required; and
  - (b) the day (not being earlier than a reasonable time after the service of the notice) upon which the supply is required to commence.
- (3) Where any pipe is provided and laid by a public gas supplier in pursuance of subsection (1) above, the cost of providing and laying—
- (a) so much of the pipe as is laid upon property owned or occupied by the person requiring the supply, not being property dedicated to public use ; and
  - (b) so much of the pipe as is laid for a greater distance than 30 feet from any pipe of the supplier, although not on such property as is mentioned in paragraph (a) above,
- shall, if the supplier so requires, be defrayed by that person.
- (4) The Secretary of State may, after consultation with the Director, make provision by regulations for entitling a public gas supplier to require a person requiring a supply of gas in pursuance of subsection (1) above to pay to the supplier an amount in respect of the expenses of the laying of the main used for the purpose of giving that supply if—
- (a) the supply is required within the prescribed period after the laying of the main ;
  - (b) a person for the purpose of supplying whom the main was laid has made a payment to the supplier in respect of those expenses;
  - (c) the amount required does not exceed any amount paid in respect of those expenses by such a person or by any person previously required to make a payment under the regulations; and
  - (d) the supplier has not recovered those expenses in full.
- (5) Nothing in subsection (1) above shall be taken as requiring a public gas supplier to supply gas to any premises in excess of 25,000 therms in any period of twelve months.
- (6) Nothing in subsection (1) above shall be taken as requiring a public gas supplier to give or continue to give a supply of gas to any premises if—
- (a) he is prevented from doing so by circumstances not within his control; or
  - (b) circumstances exist by reason of which his doing so would or might involve danger to the public, and he has taken all such steps as it was reasonable to take both to prevent the circumstances from occurring and to prevent them from having that effect.
- (7) Where any person requires a new or increased supply of gas in pursuance of subsection (1) above for purposes other than domestic use, and the supply cannot be given without the laying of a new main, or the enlarging of an existing main, or the construction or enlarging of any other works required for the supply of gas by the public gas supplier, the supplier may, if he thinks fit, refuse to give the supply unless that person enters into a written contract with him—
- (a) to continue to receive and pay for a supply of gas of such minimum quantity and for such minimum period as the supplier may reasonably require, having regard to the expense to be incurred by him in laying or enlarging the main or constructing or enlarging the other works; or
  - (b) to make such payment to the supplier (in addition to any payments to be made from time to time for gas supplied) as the supplier may reasonably require having regard to the matters aforesaid.

- (8) Where any person requires a supply of gas in pursuance of subsection (1) above for the purposes only of a stand-by supply for any premises having a separate supply of gas, or having a supply (in use or ready for use for the purpose for which the stand-by supply is required) of electricity, steam or other form of energy, the supplier may, if he thinks fit, refuse to give or discontinue the supply unless that person enters into a written contract with him to pay him such annual sum in addition to any charge for gas supplied as—
- (a) will give him a reasonable return on the capital expenditure incurred by him in providing the stand-by supply ; and
  - (b) will cover other expenditure incurred by him in order to meet the maximum possible demand for those premises.
- (9) In this section " relevant main " has the same meaning as in section 7 above.

## **11 Power to require security**

- (1) Where any person requires a supply of gas in pursuance of subsection (1) of section 10 above—
- (a) the public gas supplier may require that person to give him reasonable security for the payment to him of all money which may become due to him in respect of the supply or, where any pipe falls to be provided and laid in pursuance of that subsection, the provision and laying of the pipe ; and
  - (b) if that person fails to give such security, the supplier may if he thinks fit refuse to give the supply, or to provide and lay the pipe, for so long as the failure continues.
- (2) Where any person who requires a supply of gas in pursuance of subsection (1) of section 10 above enters into such a contract as is mentioned in subsection (7) or (8) of that section—
- (a) the public gas supplier may require that person to give him reasonable security for the payment to him of all money which may become due to him under the contract ; and
  - (b) if that person fails to give such security, the supplier may if he thinks fit refuse to give the supply for so long as the failure continues.
- (3) Where any person has not given such security as is mentioned in subsection (1) or (2) above, or the security given by any person has become invalid or insufficient—
- (a) the public gas supplier may by notice require that person within seven days after the service of the notice, to give him reasonable security for the payment of all money which may become due to him in respect of the supply or, as the case may be, under the contract; and
  - (b) if that person fails to give such security, the supplier may if he thinks fit discontinue the supply for so long as the failure continues.
- (4) Where any money is deposited with a public gas supplier by way of security in pursuance of this section, the supplier shall pay interest, at such rate as may from time to time be fixed by the supplier with the approval of the Director, on every sum of 50p so deposited for every three months during which it remains in the hands of the supplier.

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## 12 Standard method of charge

- (1) Subject to sections 13 and 14 below, a public gas supplier shall charge for gas supplied by him 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.
- (2) In this Part—
  - " calorific value ", in relation to any gas, means the number of megajoules (gross) which would be produced by the combustion of one cubic metre of the gas measured at a temperature of 15 °C and a pressure of 1013.25 millibars and, if the Secretary of State so determines, containing such an amount of water vapour as is specified in the determination;
  - " declared calorific value ", in relation to any gas supplied by a public gas supplier, means calorific value declared by the supplier in accordance with regulations under subsection (3) below.
- (3) Regulations shall make provision—
  - (a) as to the time when, and the manner in which, the calorific value of gas supplied by a public gas supplier 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 of declared calorific value occurs in the course of a period for which such charges are made.

## 13 Alternative method of charge

- (1) If regulations under this section so provide, the number of therms supplied by a public gas supplier may, to such an extent as he thinks fit, be calculated in the prescribed manner on the basis of actual calorific values of the gas determined by the supplier in accordance with the regulations; and a public gas supplier is a relevant supplier for the purposes of this section in so far as the number of therms supplied by him is so calculated.
- (2) Regulations may make provision—
  - (a) for requiring determinations of actual calorific values of gas supplied by relevant suppliers to be made at such places, at such times and in such manner as the Secretary of State may direct;
  - (b) for requiring such premises, apparatus and equipment as the Secretary of State may direct to be provided and maintained by relevant suppliers for the purpose of making such determinations;
  - (c) as to the manner in which calculations of the number of therms supplied by relevant suppliers are to be made; and
  - (d) as to the manner in which the results of such determinations are, and prescribed information with respect to the making of such calculations is, to be made available to the public.
- (3) The Secretary of State shall appoint competent and impartial persons to carry out tests of apparatus and equipment provided and maintained by relevant suppliers in pursuance of regulations under this section for the purpose of ascertaining whether they comply with the regulations.
- (4) Regulations may make provision—

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- (a) for persons representing the relevant supplier concerned to be present during the carrying out of such tests;
  - (b) for the manner in which the results of such tests are to be made available to the public ; and
  - (c) for conferring powers of entry on property of relevant suppliers for the purpose of carrying out such tests and otherwise for the purposes of this section.
- (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 relevant 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 apparatus and equipment 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.
- (8) Any sums received by the Secretary of State under this section shall be paid into the Consolidated Fund.

## **14 Fixing of tariffs**

- (1) Subject to the following provisions of this section, the prices to be charged by a public gas supplier for the supply of gas by him shall be in accordance with such tariffs as may be fixed from time to time by him, 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 supplier will secure adequate publicity for them.
- (2) A tariff fixed by a public gas supplier under subsection (1) 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 other gas fittings provided by the supplier on the premises of the consumer.
- (3) In fixing tariffs under subsection (1) above, a public gas supplier 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; but this subsection shall not apply in relation to tariffs fixed under that subsection with respect to the prices to be

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charged for therms supplied to any premises in excess of 25,000 therms in any period of twelve months.

- (4) Notwithstanding anything in section 12 or 13 above or the preceding provisions of this section, a public gas supplier 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 if either—
- (a) the tariffs in force are not appropriate owing to special circumstances; or
  - (b) the agreement provides for a minimum supply of gas to any premises in excess of 25,000 therms in any period of twelve months.
- (5) In this Part "tariff customer " means a person who is supplied with gas by a public gas supplier otherwise than in pursuance of such an agreement as is mentioned in subsection (4) above.

## **15 Public gas supply code**

The provisions of Schedule 5 to this Act (which relate to the supply of gas by public gas suppliers and connected matters) shall have effect.