

**THE GAS ACT 1986 AS AMENDED BY THE UTILITIES ACT 2000 AND THE ENERGY ACT 2004**

**The principal objective and general duties of the Secretary of State and the Authority.**

4AA. (1) The principal objective of the Secretary of State and the Gas and Electricity Markets Authority (in this Act referred to as "the Authority") in carrying out their respective functions under this Part is to protect the interests of consumers in relation to gas conveyed through pipes, wherever appropriate by promoting effective competition between persons engaged in, or in commercial activities connected with, the shipping, transportation or supply of gas so conveyed.

(2) The Secretary of State and the Authority shall carry out those functions in the manner which he or it considers is best calculated to further the principal objective, having regard to-

(a) the need to secure that, so far as it is economical to meet them, all reasonable demands in Great Britain for gas conveyed through pipes are met; and

(b) the need to secure that licence holders are able to finance the activities which are the subject of obligations imposed by or under this Part or the Utilities Act 2000.

(3) In performing that duty, the Secretary of State or the Authority shall have regard to the interests of-

(a) individuals who are disabled or chronically sick;

(b) individuals of pensionable age;

(c) individuals with low incomes; and

(d) individuals residing in rural areas;

but that is not to be taken as implying that regard may not be had to the interests of other descriptions of consumer.

(4) The Secretary of State and the Authority may, in carrying out any function under this Part, have regard to-

(a) the interests of consumers in relation to electricity conveyed by distribution systems (within the meaning of the Electricity Act 1989); and

(b) any interests of consumers in relation to-

(i) telecommunication services and telecommunication apparatus (within the meaning of the Telecommunications Act 1984); or

(ii) water services or sewerage services (within the meaning of the Water Industry Act 1991),

which are affected by the carrying out of that function.

(5) Subject to subsection (2), the Secretary of State and the Authority shall carry out their respective functions under this Part in the manner which he or it considers is best calculated-

(a) to promote efficiency and economy on the part of persons authorised by licences or exemptions to carry on any activity, and the efficient use of gas conveyed through pipes;

(b) to protect the public from dangers arising from the conveyance of gas through pipes or from the use of gas conveyed through pipes; and

(c) to secure a diverse and viable long-term energy supply, and shall have regard, in carrying out those functions, to the effect on the environment of activities connected with the conveyance of gas through pipes.

(5A) In carrying out their respective functions under this Part in accordance with the preceding provisions of this section the Secretary of State and the Authority must each have regard to-

(a) the principles under which regulatory activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed; and

(b) any other principles appearing to him or, as the case may be, it to represent the best regulatory practice.

(6) In this section "consumers" includes both existing and future consumers.

(7) In this section and sections 4AB and 4A, references to functions of the Secretary of State or the Authority under this Part include a reference to functions under the Utilities Act 2000 which relate to gas conveyed through pipes.

(8) In this Part, unless the context otherwise requires,-

"exemption" means an exemption granted under section 6A;

"licence" means a licence under section 7 or 7A and "licence holder" shall be construed accordingly."