LAWS OF MALAYSIA

Act 501

GAS SUPPLY ACT 1993

An Act to provide the licencing of the supply of gas to consumers through pipelines and related matters, the supply of gas at reasonable prices, the control of gas supply pipelines, installations and appliances with respect to matters relating to safety of persons and for purposes connected therewith.

BE IT ENACTED by the Duli Yang Maha Mulis Seri Paduka Baginda Yang di-Pertuan Agong with the advice and consent of the Dewan Negara and Dewan Rakyat in Parliament assembled, and by the authority of the same, as follows:

PART I

PRELIMINARY

1. (1) This Act may be cited as the Gas Supply Act 1993 and shall come into force on such date as the Minister may, by notification in the *Gazette*, appoint.

Short title, Commence ment and application.

- (2) This Act shall apply throughout Malaysia; however the Minister may by order suspend the operation of the whole or any of the provisions of this Act in any State.
- (3) This Act shall apply to the supply of gas to consumers through pipelines—
 - (a) downstream of the last flange of the city gate station; or
 - (b) from the filling connection of a storage tank or cylinder specifically used for reticulation or delivery of gas to any apparatus in any premises.
 - (4) In subsections (3)—

"city gate stations" means a station with gas measurement and pressure-regulating facilities where gas is received directly from the gas transmission pipelines and subsequently delivered through the gas pipelines distribution system for the supply of gas to the consumer;

"Transmission pipelines" means pipelines transporting gas from the outlet of the gas processing plant or receiving terminal to the inlet of the city gate station.

Interpretation.

2. In this Act, unless the context otherwise requires—

"area of supply" means the area within which a licensee is authorised to supply gas;

"authorised officer" means any public officer or officer of the Commission who is authorised in writing by the Minister for the purposes of this Act;

"Chairman", means the Chairman of the Energy Commission appointed by the Minister under the Energy Commission Act 2001;

"Commission" means the Energy Commission established under the Energy Commission Act 2001;

"competent person" means a person who holds a certificate of competency issued by the Commission to perform such works in accordance with the restrictions, if any, stated in the certificate;

"consumer" means a person who is supplied with gas or whose premises are for the time being connected for the purpose of supply of gas by a licensee;

"danger" means danger to health or to human life or limb from shock, burn, or other injury and includes danger to property, pipeline or installation resulting form the transmission, distribution or utilisation of gas;

"dishonestly" has the meaning assigned thereto in the Penal Code;

F.M.S. Cap. 45.

"District Land Administrator" has the meaning assigned to "Land Administrator" by section 5 of the National Land Code, to "Collector" by section 4 of the Land Act 56/65. Ordinance of Sabah and to "the Director" by section 2 of Sabah Cap. 68. the land Code of Sarawak:

Sarawak Cap.

"gas" means methane; ethane, propane, butane or hydrocarbons which may consist of one or more of the aforesaid gases, either in the form of gas or liquid;

"installations" means all parts of those physical facilities involved in the delivery, transportation, distribution or utilisation of gas through pipelines including any machine, equipment, apparatus, pump, valve, compressor unit, meter, regulator, any appurtenance attached to pipelines and any other assembly;

"licence" means a licence issued under section 11;

"licensee" means a person licensed under section 11;

"Minister" means the Minister for the time being charged with the responsibility for matters relating to petroleum;

"pipelines" means all parts of those physical facilities through which gas moves in transportation;

"Registrar" means the Registrar as defined in the National Land Code, the Land Ordinance of Sabah or the Land Code of Sarawak, as the case may be;

"reserved land" means land reserved for a public purposes, railway reserves and forest reserves;

"safety" means the obviation of danger to the general public or to property;

"State land" does not include reserved land and alienated land;

"supply of gas" means the delivery, transportation, distribution or reticulation of gas pipelines.

PART III

FUNCTIONS AND DUTIES OF COMMISSION

Functions and duties of the Commission.

- **4.** (1) The Commission shall carry out such functions and duties as follows:
 - (a) To secure that a licensee authorised by or under this Act to supply gas through pipelines satisfies all reasonable demands for gas;
 - (b) Without prejudice to the generality of paragraph (a), to secure that such licensee is able to finance the provision of gas supply services;
 - (c) To protect the interests of consumers of gas supplied through pipelines in respect of—
 - (i) The prices charged and the other terms of supply;
 - (ii) The continuity of supply; and
 - (iii) The quality of the gas supply services provided;
 - (d) To regulate the composition, pressure, purity and volume of gas supplied through pipelines;
 - (e) To promote efficiency and economy on the part of licensee to supply gas through pipelines and the efficient use of gas supplied through pipelines;
 - (f) To protect the public from dangers arising from the distribution of gas through pipelines or from the use of gas supplied through pipelines;
 - (g) To enable persons to compete effectively in the supply of gas through pipelines;

- (h) To investigate any accident or fire involving any gas pipeline or installation; and
- (i) To carry on all such other activities as may appear to the Commission requisite, advantageous or convenient for the purpose of carrying out the provisions of this Act.
- (2) The functions and duties of the Commission may at any time be carried out by any officer of the Commission duly appointed in writing by the Commission for such purpose.

PART IV

POWERS OF ENTRY, INVESTIGATION AND PROSECUTION

4A. The Minister may in writing authorise any publice officer or officer of the Commission to exercise the powers of enforcement under this Act.

Authorised officer

5. (1) An authorised officer may, for the purposes of discharging any of his duties or carrying out any of his functions under this Act or any regulation made thereunder, enter at any reasonable time upon and land, house or building to inspect and examine any pipeline or installation or part thereof, or for other proper cause.

Power of entry by warrant or otherwise, inspection, examination, seizure, etc.

- (2) In exercising his powers under subsection (1) an authorised officer may—
 - (a) Take samples of any gas from the premises entered and require the occupier or his agents or servants present in the premises to show him every place and any pipeline, installation, storage tank or cylinder in his premises;
 - (b) Test or cause to be tested, at any convenient place and at such reasonable time as he may appoint, any sample so obtained by him.

- (3) If upon such inspection or examination the authorised officer finds any effect, which he has reasonable cause to believe is likely to cause danger, he may—
 - (a) By notice in writing require the rectification of the defect:
 - (b) Cause the discontinuation of the gas supply; or
 - (c) Remove or seal any pipeline, installation or part thereof.
- (4) In every case where information is given on oath to any Magistrate that there is reasonable cause for suspecting that there is in any land, house or building any article, thing, book, document, pipeline, installation or part thereof which has been used to commit or is intended to be used to commit any offence under this Act or any regulation made thereunder, he shall issue a warrant under his hand by virtue of which any authorised officer named or referred to in the warrant may enter the land, house or building at any reasonable time by day or night, and search for and seize or seal any such article, thing, book, document, pipeline, installation or part thereof:

Provided that if the authorised officer is satisfied upon information received that he has reasonable grounds for believing that by reason of delay in obtaining a search warrant, any article, thing, book, document, pipeline, installation or part thereof used to commit or intended to be used to commit an offence under this Act or any regulation made thereunder is likely to be removed or destroyed, he may enter such land, house or building without a warrant and seize or seal any such article, thing, book, document, pipeline, installation or part thereof found therein:

Provided further that it shall be an offence for any person without lawful authority to break, tamper with or damage such seal or remove any such article, thing, book, document, pipeline, installation or part thereof or to attempt so to do.

(5) Any authorised officer may in the exercise of his powers under subsection (4), if it is necessary so to do—

- (a) Break open any outer or inner door of the dwelling-house or any other premises and enter thereinto:
- (b) Forcibly enter the place and every part thereof;
- (c) Remove by force any obstruction to entry, search, seizure and removal as he is empowered to effect; and
- (d) Detain every person found in the place until the place has been searched.
- (6) The authorised officer seizing any article, thing, book, document, pipeline, installation or part thereof under subsection (4) shall prepare a list of the things seized and forthwith, or as soon as is practicable, deliver a copy signed by him to the occupy, or his agents or servants present in the premises and if the premises are unoccupied, such authorised officer shall, wherever possible, post a list of the things seized on the premises.
- (7) An authorised officer shall at all times carry an official identification card or badge in such form as may be prescribed, and no person shall be obliged to admit to his land, house or building any person purporting to be an authorised officer except upon production of the identification card or badge.

Powers of investigation.

6. (1) An authorised officer shall have the power to investigate the commission of any offence under this Act or any regulation made thereunder.

F.M.S. Cap.6

(2) Any authorised officer may, in relation to any investigation in respect of any offence committed under this Act or any regulation made thereunder, exercise the special powers in relation to police investigation except that the power to arrest without warrant given by the Criminal Procedure Code in any seizable offence may not be exercised by him.

(3) Upon completion of his investigation, the authorised officer shall immediately give all information relating to the commission of the offence to an officer in charge of a police station and a police officer may, by warrant, arrest any person who may have committed an offence under this Act or any regulation made thereunder.

Power to require attendance of person acquainted with case.

- 7. (1) An authorised officer making an investigation under section 6 may by order in writing require the attendance before himself of any person who appears to the authorised officer to be acquainted with the circumstances of the case, and such person shall attend as so required.
- (2) If any such person fails to attend as so required the authorised officer may report such failure to a magistrate who shall issue a summons to secure the attendance of such person as required by such order aforesaid.

Examination of person acquainted with case.

- **8.** (1) An authorised officer making an investigation under section 5 may obtain information from any person supposed to be acquainted with the facts and circumstances of the case.
- (2) Such person shall be legally bound to answer all questions relating to such case put to him by the authorised officer.

Provided that such person may refuse to answer any question the answer to which would have a tendency to expose him to a criminal charge or penalty or forfeiture.

- (3) A person making a statement under this section shall be legally bound to state the truth, whether or not such statement is made wholly or partly in answer to questions.
- (4) The authorised officer obtaining information from a person shall first inform that person of the provisions of subsection (2) and (3).

(5) A statement made by any person under this section shall whenever possible, be reduced into writing and signed by the person making it or affixed with his thumb print, as the case may be, after it has been read to him in the language in which he made it and after he has been given an opportunity to make any corrections he may wish.

Prosecution.

9. No prosecution shall be instituted for an offence under this Act or any regulations made under this Act except by or with the consent in writing of the Public Prosecutor.

Reward for information.

10. In the case of a conviction involving a fine, the court imposing the fine may, on the application of the officer conducting the prosecution, direct the payment of any part of the fine but not exceeding one half of such fine in such proportion as the court deems fit to the person who gave the information leading to the conviction

PART V LICENCE

Licence required for supply of gas: terms, conditions and contents of

licence.

- **11.** (1) No person shall supply gas through any pipeline unless such person is licensed under this Act.
- (2) The Commission, with the approval of the Minister, may grant a licence for the supply of gas through pipelines on such conditions as may appear to be requisite or expedient having regard to the duties imposed by section 3 and on payment of such fee as may be prescribed by the regulations made under this Act.
- (3) Any person applying for a licence shall submit to the Commission, whenever applicable, the following details:
 - (a) area of supply of gas:
 - (b) site location plan showing the proposed location of the premises to be installed with the gas pipeline and its neighbouring area:

- (c) piping layout showing details of pipeline routes including the location of any storage tank or cylinder, site boundary, deflection wall and the nearest sources of ignition;
- (d) technical specifications of the pipeline or installation;
- (e) certification of the pipeline or installation; and
- (f) any other information as may be required by the Commission.
- (4) No licence shall be capable of being transferred, assigned, sub-licensed or otherwise disposed of unless the written consent of the Minister has been given.
- (5) Licences may be for such period as the Minister may in each case approve.
- (6) Any licence granted under this section may extend to the determination of the area of supply by the Commission.
- (7) Subject to the approval of the state Authority, any licence granted under this section may authorise the licensee to lay, place or carry on, under or over State land, to the extent and in the manner specified in the licence, such pipelines and installations and to erect and maintain in or upon State land such other equipment as may in the opinion of the Commission be necessary or proper for the purposes of the licence, and subject always to the approval of the State Authority, the said authorisation may be given or added to at any time during the currency of the licence by endorsement thereon under the seal of the Commission.
- **12.** (1) Before the issue of any licence the Commission may require a security, either in the form of cash or bank guarantee as the Commission may specify, to be furnished for the due observance of the terms and conditions of the licence. The amount of the said security shall be based on the licensee's construction costs or operational costs or both, as the case may be, as determined by the Commission and such amount may be reviewed from time to time.

Security, suspension or revocation of the licence. (2) A licence may at any time be suspended or revoked by the Commission upon breach of any of the conditions thereof or in default of payment of any monies accrued due thereof, or if the licensee ceases to construct or operate the pipeline or installation which he was authorised to do under the licence granted to him:

Provided that where a licence has been suspended or revoked under this subsection the licensee may, if he considers that he has suffered or may suffer undue hardship by reason of the suspension or revocation, appeal to the Minister against the suspension or revocation, as the case may be, and the decision of the Minister on the appeal shall be final.

- (3) The licensee shall not be entitled to compensation for any loss of revenue caused to him by the suspension or revocation of a licence under this section.
- (4) Upon the suspension of a licence, the Commission may—
 - (a) Require the licensee to rectify any breach of any condition of the licence or to pay any monies accrued due thereunder within a certain specified period: and/or
 - (b) In the interest of the public, authorise another person to continue operating the pipeline or installation or part thereof has been in operation for the period of suspension.
- (5) If the Commission is satisfied that the licensee has complied with the requirement under paragraph (4) (a) the suspension may be lifted and the licensee may be allowed to continue the construction or operation of the pipeline or installation, as the case may be. If the Commission is not satisfied, the Commission may revoke the licence.
- (6) Upon revocation of a licence, the Commission may—

- (a) Require the licensee within a reasonable period of time, to remove his pipeline or installation or part thereof at the licensee's costs.
- (b) Acquire the pipeline and installation or part thereof on payment of adequate compensation to the licensee, and appoint another licensee to complete the construction of the pipeline or installation or to supply gas through the acquired pipeline or installation, as the case may be; or
- Authorise another licensee, on payment of (c) adequate compensation, to acquire the pipeline or installation or part thereof and complete its construction or supply gas through the acquired pipeline or installation, as the case may be.
- (7) If a licence is revoked under this section the security shall be forfeited as the Commission deems fit.

(8) In subsection (1)—

"operational costs" means all costs calculated by the Commission to be the costs of operating the supply of gas through any pipeline or installation including wages, costs of fuel, spare parts, labour charges and lubricants but not including capital costs or loans.

PART VI PROVISIONS RELATING TO THE LICENSEE, SUPPLY OF GAS, ENTRY INTO LAND, ETC.

13. (1) A licensee may, in relation to the service of Power to fix supplying gas, levy such tariffs as may be approved in writing by the Minister from time to time having regard to any condition in the licence which relates to the supply of gas in different areas and circumstances.

(2) A proposal for tariff under subsection (1) may include—

- (a) A standing charge in addition to the charge for the actual gas supplied;
- (b) A charge in respect of the availability of a supply of gas and such charge may vary according to the extent of supply; and
- (c) A rent or other charge in respect of any gas meter or installation provided by the licensee.
- (3) A tariff approved pursuant to subsection (1)—
 - (a) Shall be so framed by the licensees to indicate the methods by which and the principles on which the tariffs are to be made as well as the prices which are to be charged; and
 - (b) Shall be published by the licensee in such manner that will secure adequate publicity for it.
- (4) In fixing tariffs pursuant to subsection (1) and in making agreements for the supply of gas under subsection 17(1), a licensee shall not show undue preference or discrimination as among consumers or persons similarly situated having regard to the place and time of supply, the quantity of gas supplied and the purpose for which the supply is taken.
 - (5) In this section—

"standing charge" means a fixed charge approved by the Commission for the provision of the supply of gas and includes the cost to maintain the system.

Duty to supply on request.

- **14.** (1) Subject to the following provisions of this Part and any regulation made under this Act, a licensee shall upon being required to do so by the owner or occupier of any premises situated whitin the area of supply of gas—
 - (a) Give a supply of gas to those premises; and
 - (b) Provide all things as may be reasonably necessary for that purpose.

- (2) Where any person requires a supply of gas under subsection (1) he shall give to the licensee a notice specifying—
 - (a) the premises in respect of which the supply is required;
 - (b) the day on which the supply is required to commence;
 - (c) the quantity which may be required at any time;
 - (d) the minimum period for which the supply is required to be given; and
 - (e) the pressure at which the supply is required.
- (3) Where a licensee receives from any person a notice under subsection (2) requiring him to give a supply of gas to any premises and—
 - (a) He has not previously supply of gas to those premises;
 - (b) The giving of the supply of gas requires the provision of pipeline or other installations; or
 - (c) Other circumstances exist which make it necessary or expedient for him to do so.

The licensee shall, as soon as practicable after receiving that notice, give to the person a notice under subsection (4).

- (4) A notice under this subsection shall—
 - (a) State the extent to which the proposals specified in the notice under subsection (2) are acceptable to the licensee and specify any counter proposals made by the licensee;
 - (b) State whether the prices to be charged by the licensee will be determined by a tariff under section 12, or by a special agreement under subsection 17(1) and specify the tariff or the proposed terms of the agreement;

- (c) Specify any payment which the person will be required to make under subsection 15(1); and
- (d) Specify any security which the person will be required to give under section 16.
- (5) In this section and in sections 14 to 17 of this part—
 - (a) Any referenc to giving a supply of gas includes a reference to continuing to give such a supply; and
 - (b) Any reference to requiring a supply of gas includes a reference to continuing to require such a supply.
- **15.** (1) Nothing in subsection 13(1) shall require a licensee to supply gas to any premises if—

Exceptions to duty to supply gas.

- (a) It is contrary to any law;
- (b) Under the agreement or special agreement, as the case may be, he is so exempted;
- (c) He is prevented from doing so by the malfunction or failure of any pipeline or installation beyond his control, or as a result of fire, flood, landslide, explosion, accident, industrial, disturbance on a national level, emergency, riot, civil disturbance or war, or any other similar event not within the control of the licensee;
- (d) A supply of gas is already being given; or
- (e) The Commission is of the opinion that it is not reasonable in all the circumstances for him to be required to do so.

(2) Nothing in the agreement referred to in paragraph (1)(b) shall provide for any exception from the duty to supply gas other than a situation where he is prevented from so supplying by reason of fire, flood, landslide, explosion, accident, industrial disturbance on a national level, emergency, riot, civil disturbance or war, or any other similar event not within the control of the licensee which directly affects or which will affect his ability to supply gas.

Power of licensee to recover expenses.

- **16.** (1) Where any pipeline or installation is provided by a licensee pursuant to subsection 13(1), the licensee may, with the Commission's approval, require any expenses reasonably incurred by the licensee to be defrayed by the person requiring the supply of gas to such extent as is reasonable having regard to the circumstances.
- (2) The expenses reasonably incurred in providing any pipeline or installation under subsection (1) include the capitalised value of any expenses likely to be so incurred in maintaining it, if such expenses cannot be recovered by the licensee as part of the tariffs levied by him for the supply.
- (3) The expenses incurred in providing any pipeline or installation form the outlet of the matter to the internal piping within the premises shall be borne by the person requiring the supply.

Power of licensee to require security.

- 17. (1) A licensee may require any person who requires a supply of gas pursuant to subsection 13(1) to give him reasonable security for all monies which may become due to him—
 - (a) In respect of the supply of gas; and
 - (b) In respect of any necessary work to be done for the supply of gas, and if the person fails to give such security, the licensee may, if he thinks fit, refuse to give the supply or to provide the pipeline or installation until the security has been given.

- (c) Where the person has not given the security in subsection (1) or the security given by the person has become insufficient, the licensee may by notice require the person, within seven days after the service of the notice, to give him, reasonable security for the payment of all monies which are due to him in respect of the supply and if the person fails to give such security, the licensee may, if he thinks fit, discontinue the supply until the security is given.
- (2) Where the person has not given the security in subsection (1) or the security given by the person has become insufficient, the licensee may by notice require he person, within seven days after the service of the notice, to give him reasonable security for the payment of all monies which are due to him in respect of the supply and if the person fails to give such security, the licensee may, if he thinks fit, discontinue the supply until the security is given.
- **17A.** Notwithstanding any other provisions in this Act, a licensee shall pay to a person subject to such conditions and at such rates as may be prescribed, a sum equivalent to the annual interest on the security given under section 17.

Return of security with interest

18. (1) A person who requires a supply of gas pursuant to section 13 may enter into a special agreement with the licensee for the supply on such terms as may be specified in the agreement.

Special agreement with respect to supply.

- (2) Any term in such agreement in relation to tariff shall be submitted to the Commission for the purpose of subsection 12(4).
- (3) Where any agreement made pursuant to subsection (1) remains effective, the provisions of sections 12 to 16 not do not apply:

Provided that the provisions of subsection 13(2) shall however apply for the purposes of specifying the day on which the supply of gas is required to commence and the day on which such an agreement ceases to be effective.

19. (1) Where a consumer is to be charged for his supply of gas whether wholly or partly by reference to the quantity of gas supplied, the supply shall be given through, and the quantity of gas shall be ascertained by, an appropriate meter.

Charge for supply of gas to be ascertained by appropriate meter.

- (2) The meter, to be provided by the licensee, whether by way of sale, hire or loan, shall be the type approved by the Commission or by any other relevant government body appointed by the Commission for that purpose.
- (3) The meter shall be installed on the consumer's premises in a position to be determined by the licensee's unless in certain circumstances it is more reasonable to place it outside the premises or in some other position.
- (4) If the consumer refuses or fails to have his supply of gas through the appropriate meter provided and installed in accordance with subsection (2) and (3) the licensee may refuse to give or may discontinue the supply.

Reduction or cessation of supply: liability.

- **20.** (1) Any licensee may cease the supply of gas or reduce, as he may think fit, the quantity of gas supplied to any consumer under the circumstances stated in section 14.
- (2) Without prejudice to any agreement, where the quantity of gas has been reduced as aforesaid—
 - (a) No liability shall be incurred by the licensee in respect of any loss or damage caused by the reduction; and
 - (b) In appropriate cases, an abatement in the charges for the supply of gas shall be made in proportion to the reduction made.
- (3) Any licensee shall not be liable for any damage to any person or property for any cessation or reduction of the supply of gas—
 - (a) Which is directly caused by any negligent act on the part of the consumer including any unauthorised connection of any pipeline or installation; or

- (b) Which is shown to have resulted from any of the events described in section 14.
- (4) The licensee shall be liable for any damage to any person or property for any cessation or reduction of the supply of gas which is shown to have resulted from negligence on the part of persons employed by the licensee, his agents or servants, as the case may be, or from his faulty construction of the pipeline or installation.
- (5) Without prejudice to subsection (4) the licensee shall rectify any damage to ensure continuation of the supply of gas within a reasonable period of time and to repair any damage from the outlet of the meter to the internal piping within the consumer's premises if it is shown to have resulted from the negligent act to the licensee, his agents or servants, as the case may be.
- 21. (1) Where a licensee has reasonable grounds to believe that in respect of any premises an offence under subsection 29(5), 29(6), 29(7) or 29(9) has been committed, the licensee or any person duly authorised by the licensee may, upon giving not less than twenty-four hour's notice, in such forms may be prescribed, discontinue the supply of gas to such premises.

Disconection of supply of gas.

- (2) Upon disconnection under subsection (1), the licensee shall immediately inform the Commission of the disconnection.
- (3) Upon receiving the information under subsection (2) the Commission shall immediately direct an authorised officer to inspect such premises and as soon as practicable after such inspection, the Commission shall from an opinion

(a) That an offence has been committed and that the supply shall not be reconnected until an investigation has been completed; or

- (b) That an offence has not been committed and that the supply of gas shall immediately be reconnected in which case the licensee shall pay compensation for any loss or damage caused by the discontinuation of the supply.
- (4) Where the Commission forms an opinion under subsection (3) that an offence has been committed an investigation under section 4 and 5 shall be carried out. Upon completion of investigation, if it discloses no commission of any offence, the supply of gas shall be reconnected immediately and any loss incurred by any party may be referred to the Commission for adequate compensation to be paid pursuant to an inquiry held under section 28.
- (5) If an offence has been committed, the licensee may require the consumer to pay him for any loss of revenue due to the offence committed under subsection 29(5), 29(6), 29(7) or 29(9) and any expenses incurred by the licensee under this section including expenses incurred in respect of the reconnection of gas supply.
- (6) A written statement by the licensee or any person authorised by the licensee specifying—
 - (a) The amount of loss of units of gas or the expenses incurred by the licensee; and
 - (b) The person liable for the payment thereof,

Shall be prima facie evidence of the payment that has to be made by the consumer under subsection (5).

(7) The amount stated in the written statement or decided by the Commission shall, within the period specified in the statement, be due and payable to the licensee and in default of payment such amount shall be recoverable by civil action in a court.

Liabilities unaffected.

22. Except as provided in section 19, nothing contained in this Act shall operate to relieve any licensee from any civil or criminal liability arising under this Act.

Power to enter on and examine land.

- 23. (1) Whenever it appears to the licensee that it will be necessary for him to exercise the powers conferred upon him by this Act in respect of any land other than State land for the purpose of constructing any pipeline or installation or part thereof, the licensee or any person authorised by him may, after giving not less than twenty-four hours notice to the occupier thereof, if any, enter upon the land, survey and take levels and do any other acts necessary to ascertain the suitability of the land, in so far as the same may be possible without causing damage or disturbance.
- (2) Nothing herein contained shall be deemed to authorise any person to cut down or clear away any vegetation or any fence or other erection or to enter into any building or upon any enclosure attached to any building.
- (3) In the case of reserved land, the notice under subsection (1) may be given to the given to the officer or any other person in charge of the reserved land, in the absence of any officer or person, to the District Land Administrator.
- **24.** (1) Subject to as hereinafter provided, whenever it is necessary so to do for the purpose of installing any pipeline or installation for the supply of gas, and may take such under this Act, a licensee may lay, place or carry on, under or over any land, other than State land, such pipeline or installation as may be necessary or proper for the purposes of the licence, and may take such other section as may be necessary to render the pipeline or installation safe and efficient, paying full compensation in accordance with section 27 to all persons interested for any disturbance, damage or disability that may be caused thereby and such compensation may include an annual payment for land used for the purpose of the pipeline or installation.
- (2) Before entering on any land for the purpose specified in subsection (1), the licensee shall give a notice stating as fully and accurately as possible the nature and extent of the acts intended to be done. The notice shall be substantially in the form set out in the First Schedule. The District Land Administrator shall specify a date upon which the State Authority shall inquire into any objection that may have been made as hereinafter provided.

Power to enter on land for purposes of construction.

- (3) The aforesaid notice shall be given—
- (a) In the case of alienated land, to the owner or occupier;
- (b) In the case of reserved land, to the officer or any other person in charge of the reserved land or, in the absence of any such officer or person, to the District Land Administrator, and may be sent by registered post or left at the usual or last known place of above of the person to whom it is to be given or served by the licensee or the District Land Administrator at the expense of the licensee, either in the manner hereinbefore provided or in the manner provided for the service of notice by any written law relating to land in force in the State where the land is situated.
- (4) Any of the persons mentioned in subsection (3) may, within fourteen days of the receipt of the notice therein referred to, lodge an objection to the intended acts of the licensee. The objection may be made to the District Land Administrator, either verbally or in writing, and the District Land Administrator shall give notice of the objection to the State Authority and to the licensee.
- (5) If no objection is lodged within the time limited for that purpose by subsection (4), the licensee may forthwith enter on the land and do all or any of the acts specified in the notice given under subsection (2).
- (6) If an objection is lodged and is not withdrawn before the date fixed for the hearing thereof, the District Land Administrator shall hold an inquiry, giving all parties an opportunity to be heard.
- (7) Upon the conclusion of the inquiry the District Land Administrator may, either unconditionally or subject to such terms, condition and stipulations as he thinks fit, Make an order authorising or prohibiting any of the acts mentioned in the notice given under subsection (2). The order shall be substantially in the form set out in the Second Schedule.

Provided that any party who is dissatisfied with the District Land Administrator's order may within twenty-one days after the order appeal against such an order to the State Authority which may then uphold, set aside or vary the order upon such terms, conditions and stipulations as it think fit.

- (8) The State Authority may, if it thinks fit, in lieu of making an order under subsection (7), direct the acquisition of any land or part of any land included in a notice given under subsection (2).
- (9) The decision of the State Authority under this section shall be final.
- (10) Notwithstanding any written law relating to land matters, the Registrar—
 - (a) Upon the production to him of the notice issued by the licensee under subsection together with the statement by the District Land Administrator that no objection had been lodged by any of the persons mentioned in subsection (3); or
 - (b) Upon the production to him of the original order made under subsection (7) and upon the deposit with him of a certified copy of such order.

shall cause to be made on the register document of title relating to the land affected by the notice or order, as the case may be, a note of the existence of the rights under such notice or order.

25. Whenever it is necessary so to do for the purpose of maintaining, repairing or upgrading any pipeline or installation or part thereof, the licensee, or any person authorised by him in that behalf, may at all reasonable times enter upon any land and may carry out all necessary repairs, and may, in the course thereof, remove vegetation and do all other things necessary to the said purpose, causing as little damage as possible and paying full compensation in accordance with section 29 to all persons interested for any damage that may be caused thereby for which compensation has not already been assessed under section 24.

Maintenance, repair and upgrading of pipeline of installation

26. (1) Where any pipeline or installation has been installed on land under section 23, and if any the persons mentioned in subsection 23(3) desires to use the land in such a manner as to render it necessary or convenient that the pipeline or installation should be removed to another part of the land, or to land at a higher or lower level, or be altered in form, he may require the licensee to remove or alter the pipeline or installation accordingly.

Removal or alteration of pipeline or installation.

- (2) If the licensee omits to comply with the requisition, the person may apply in writing to the State Authority which may, in its discretion, after inquiring into all the facts of the case, reject the application or make an order, either absolutely or subject to certain conditions, for the removal or alteration of the pipeline or installation. The order shall provide for the payment of the costs of executing the removal or alteration by the licensee or by the person making the application, as the State Authority may consider equitable in the circumstances of the case.
- (3) The State Authority may, instead of itself inquiring into a case under subsection (2) direct the District Land Administrator to make such inquiry on its behalf and to make recommendations to it.
- (4) Whenever the State Authority has made an order for the removal or alteration of any pipeline or installation, the licensee may, instead of removing or altering the pipeline or installation, apply to the State Authority to direct the acquisition of such land as its required for the purposes of the pipeline or installation, and the State Authority may direct the acquisition accordingly.

(6) Whenever a pipeline or installation has been installed on State land by a licensee and the land is subsequently alienated to any person, the owner or occupier of the land may, unless the terms of alienation expressly provide otherwise, require the removal of the pipeline or installation to another part of the land, or to land at a higher or lower level, or the alteration of the pipeline or installation, and subsections (1) to (4) shall apply to any such requisition:

Provided that the cost of executing the removal or alteration shall be defrayed by the person making the requisition.

27. (1) Nothing is section 24 or section 26 shall affect the right of a licensee to enter into an agreement, commonly known as a wayleave agreement, with the owner or occupier of any land for the purpose of constructing a pipeline or installation

Wayleave agreements.

- (2) Notwithstanding any written law relating to land, the Registrar, upon the production to him of the original and the deposit with him of a certified copy of any such wayleave agreement as is referred to in subsection (1) cause to be made on the register document of title relating to the land affected by the wayleave agreement a note of the existence of the wayleave agreement.
- (3) Where a wayleave agreement relates to land which is a holding included in the Interim Register—
 - (a) subsection (2) shall apply as if "Commissioner" and "appropriate folio of the Interim Register" were substituted for "Registrar" and "register document of title" respectively; and

(b) when final documents of title are issued for the land under section 39 of the National Land Code (Penang and Malacca Titles) Act 1963, any note made pursuant to subsection (2) as varied by paragraph (a) shall (if it is still efective immediately before the issue of those documents) be entered by the Commissioner on the register document of title and shall continue to have effect as if had been entered under that subsection.

Act 2/63.

(4) So long as there remains on the register document of title or the appropriate folio of the Interim Register a note made pursuant to subsection (2) or (3), all dealings with the land to which the note relates shall be deemed to be subject to the rights of the licensee under and by virtue of the wayleave agreement in respect of which the note has been made.

(5) In this section—

"Commissioner" and "Interim Register" have the meaning assigned thereto respectively by the National Land Code (Penang and Malacca Titles) Act 1963.

Compensation.

28. (1) The amount of compensation, if any, payable under section 22, 23 or 26 shall be assessed by the District Land Administrator after such inquiry as he shall be substantially in the form set out in the Third Schedule:

Provided that no compensation shall be payable by the licensee in respect of any tree within fifty feet of the centre line of any road constructed or maintained by the State Government or by any local authority unless it is proved that the was in exercise prior to the construction of the road.

(2) Any person aggrieved with the District Land Administrator's assessment may within twenty-one days after the assessment appeal to the State Authority whose decision shall be final.

PART VII

INQUIRY

Procedure in inquiry.

- **29.** (1) Without prejudice to any terms and conditions in any special agreement, where a dispute arises between the licensee and the consumer with respect to matters falling under sections 12 to 20, the dispute may be referred to the Commission.
 - (2) The Commission shall—
 - (a) Determine the dispute and make an order accordingly or, where the dispute is a contractual dispute under any terms of any agreement, may decide that it be determined according to any provision for determination of dispute under the agreement or be determined by the court accordingly; or
 - (b) Determine that, with the approval of the Minister, a committee of inquiry be formed to inquire into the dispute.
- (3) A committee of inquiry referred to in paragraph (2) (b) shall consist of three members led by a person appointed by the Minister.
- (4) For the purposes of such inquiry, the committee may summon any person to attend any meeting of the said document or thing in his possession related to matter which are the subject matter of such inquiry and to examine him as a witness.
 - (5) Any person who, under subsection (4)—
 - (a) Having been summoned to attend any such inquiry, fails to do so;
 - (b) Offers any act of disrespect or any insult or threat to the committee or any member thereof during an inquiry; or
 - (c) Having been required by the committee to give evidence on oath to produce any document or thing, refuses to do so or gives false evidence or produces a document or thing which he knows to be false.

Shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding three thousand ringgit or to imprisonment for a term not exceeding one year or to both.

- (6) The committee shall, on completion of the inquiry, determine the dispute and make an order accordingly.
- (7) Pending the determination of any dispute on the service of supply of gas between a licensee and a consumer the licensee shall, unless otherwise directed by the Commission, continue to give the supply of gas until the determination of the dispute.
- (8) Any person who feels aggrieved by a decision of the Commission under subsection (2) or a decision by the committee under subsection (6) may apply to the Minister for reconsideration of the matter in dispute.
- (9) The application to the Minister shall be made in writing within twenty-one days from the date of the decision of the Commission, or within such further period as the Minister may in special circumstances allow, and shall contain the grounds of grievance.
- (10) The Minister shall then determine the dispute and make an order accordingly and his decision shall be final.

PART VIII

OFFENCES AND PENALTIES

Offences.

- **30.** (1) Any person who, in contravention of section 1, supplies gas through pipelines without any licence shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding one hundred thousand ringgit, or to imprisonment or a term not exceeding five years or to both and to a further fine not exceeding one thousand ringgit for every day or part of a day during which the offence continues after conviction, and any pipeline or installation or part thereof used or intended to be used in the commission of the offence shall be liable to forfeiture.
- (2) For the purpose of subsection (1), any licensee who without the express authority from the Commission supplies gas or lays down any pipeline or constructs any installation outside the area of supply specified in his licence shall be deemed to be operating without a licence.
 - (3) Any person who—
 - (a) Refuses any authorised officer access to any place pursuant to his power under section 4;
 - (b) Assaults, obstructs, hinders or delays any authorised officer in effecting any entry which he is entitled to effect under section 4, or in the execution of any duty imposed or power conferred by this Act;
 - (c) Refuses to give any authorised officer (subject to the proviso in subsection 7(2) any information relating to an offence or suspected offence under this Act or any other information which may reasonably be required of him and which he has in his knowledge or power to give under section 7; or
 - (d) Knowingly or recklessly gives false information to an authorised officer under section 7.

Shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding five thousand ringgit or to imprisonment for a term not exceeding two years or to both.

- (4) Any licensee who without lawful excuse fails to comply with any term or condition expressed in the licence shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding ten thousand ringgit and to a further fine not exceeding one thousand ringgit for every day or part of a day during which the offence continues after conviction.
- (5) Any person who by any wilful, dishonest or negligent act or ommission extends, adjusts, altres, removes, destroys or damages any pipeline or installation or part thereof shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding fifty thousand ringgit.
- (6) Any person who by any dishonest, rash or negligent act or omission tampers with or damages any pipeline, installation or part thereof so as to cause or to be likely to cause injury to human life or limb or damage to any property shall be guilty of an offence and shall, hundred thousand ringgit or to imprisonment for a term not exceeding five years or to both.

(7) Any person who—

- (a) causes any pipeline or installation or part thereof to be diverted from its proper course for the purpose of abstracting, consuming using or wasting gas therefrom;
- (b) dishonestly alters the index of any meter or other instrument used on or in connection with any pipeline or installation or part thereof belonging to any licensee or any other person for recording the output or consumption of gas;
- (c) prevents any meter or other instrument from duly recording the output or consumption of gas;
- (d) damages any meter or other instruments used on or in connection with any pipeline or installation or part thereof for recording the output or consumption of gas; or

(e) dishonestly abstracts or consumes or uses gas.

Shall be guilty of an offence and shall, on conviction, be liable to a fine not exceeding five thousand ringgit or to imprisoment for a term not exceeing three years or to both.

- (8) No person shall, without the lawful authority of the licensee, undertake any work or engage in any activity in the vicinity of any gas pipeline or installation or part thereof in a manner likely to interfere with such pipeline or installation or part thereof or to cause danger to any person or property unless the licensee has taken all reasonable steps to give proper notice on the existence of any pipeline or installation by the Commission for the protection of such pipeline or installation or part thereof.
- (9) Any person who contravenes subsection (8) shall be guilty of an offence and shall, on conviction be liable to a fine not exceeding five thousand ringgit or to imprisonment for a term not exceeding two years or to both.
- **31.** Any person who by any act or omission contravenes any provision under this Act or any regulation made thereunder shall be guilty of an offence and if no penalty is expressly provided shall, on conviction, be liable to a fine not exceeding fifty thousand ringgit and, in the case of continuing offence, to a fine not exceeding one thousand ringgit for every day or part of a day during which the offence continues after conviction.
- **32.** (1) Where a person convicted in respect of any offence under this Act or any regulation made thereunder is a body corporate, it shall only be liable to the imposition of any fine provided therein.

Offences committed by body corporate officers deemed to be guilty.

(2) Where a person charged with an offence under this Act or any regulation made thereunder is a body corporate, every person who at the time of the commission of the offence is a director or officer of the body corporate may be charged jointly in the same proceedings with the body corporate and where the body corporate is convicted of the offence charged, every such director or officer shall be deemed to be guilty of that offence unless he proves that the offence was committed without his knowledge or that he took reasonable precautions to prevent its commission.

General penalty.

(3) Any person who would be liable under this Act or any regulation made thereunder to any penalty for anything done or omitted if the thing had been done or omitted by him personally shall be liable to the same penalty if the thing had been done or omitted by his agent, unless he proves that he took reasonable precautions to prevent the doing or omission of the thing.

Onus of proof.

- **33.** (1) In any prosecution for an offence under section 31 proof of—
 - (a) The existence of artificial means which, either alone or in conjunction with additional artificial means not found, could be used for altering, or facilitating the alteration, of the index of any meter or instrument used for registering the quantity of gas supplied;
 - (b) The existence of artificial means which, either alone or in conjunction with additional artificial means not found, would prevent, or facilitate the prevention of any meter or instrument from duly registering the quantity of gas supplied, or would facilitate the dishonest abstraction, consumption, or use of gas; or
 - (c) (i) the fitting of any artificial, mechanical or any other part or connection to:
 - (ii) the absence or removal of any part or connection from; or
 - (iii) the interference with any part or connection of,

Any apparatus in the circumstances that the fitting, absence, removal or interference would prevent or facilities the prevention of any meter or other instrument from duly registering the quantity of gas supplied or would facilitate the dishonest abstraction, consumption or use of gas.

Shall be *prima facie* evidence that there has been dishonest alteration of the index of any meter or instrument or prevention, abstraction, consumption or use of gas, a sthe case may be, and that the dishonest alteration, prevention, abstraction, consumption or use, as the case may be, has been carried out by—

- (aa) The person fitting the artificial, mechanical or any other such part or connection as aforesaid;
- (bb) The person removing any such part or connectio as afresaid;
- (cc) The person interfering with any such part or connection as aforesaid;
- (dd) The consumer using the meter or instrument;
- (ee) The person having control of the pipeline or installation or part thereof where it is fixed; or
- (ff) The occupier of the premises on which the meter or instruments is installed.
- **34.**(1) The Minister may, by order in the *Gazette*, prescribe any offence under this Act or any regulation made thereunder as an offence, which may be compounded.

Compounding.

- (2) The Chairman may, with the consent in writing of the Public Prosecutor, compound any offence prescribed under subsection (1) by collecting from the person reasonably suspected of having committed the offence a sum of money not exceeding fifty per cent of the amount of the maximum fine for that offence: and
- (3) All sums of moneys received by the Commission under this section shall be paid into and form part of the Consolidated Fund.

PART IX

GENERAL

35. Unless otherwise exempted, no work in respect of Competent installing, constructing, maintaining, repairing or operate any gas pipeline or installation or part thereof shall be carried out except by or under the supervision of and certified by a competent person.

person.

36. (1) Whenever any accident or fire causing or resulting in loss of life or hurt to any person or serious damage to property has occurred in connection with any pipeline or installation or part thereof, the consumer or the licensee, as the case may be, shall report the accident or fire to the Commission by the quickest means available, and subsequently with the least possible delay shall report in writing the facts of the matter so far as they are known to them respectively.

Serious accidents to be reported.

(2) Any person who, without lawful excuse, contravenes or fails to comply with subsection (1) shall be guilty of an offence.

Protection of Commission authorised officers.

37. No action or prosecution shall be brought, instituted or maintained in any court against the Commission or the officers duly appointed or authorised to act under this Act in respect of anything done or omitted to be doe by him of his functions, powers and duties under this Act or any regulations made thereunder.

Special power in emergency.

- **38.** (1) The Yang di-Pertuan Agong may on the occurence of any industrial unrest, strike, lock-out or any other event which gives rise to an emergency or in the interest of public safety, authorise the Commission to—
 - (a) Suspend the licence of any licensee, take temporary possession of any pipeline or installation of such license and operate it in such manner as the Commission deems fit; or
 - (b) Withdraw either partially or totally the use of any pipeline or installation from any person o class of persons or from the public at large.

- (2) If any doubt arises as to the existence of an emergency or whether any act done under subsection (1) was in the interest of public safety, a certificate signed by the Yang di-Pertuan Agong and exhibited at such places as the Minister deems fit shall be conclusive proof on the point.
- (3) Where the Commission takes possession of any pipeline or installation of any licensee under paragraph (1) (a) the licensee shall be paid adequate compensation which shall be determined by the Commission after giving an opportunity to the licensee to be heard on the matter.

PART IX

POWER TO MAKE REGULATIONS

39. The Minister may make regulations in respect of any matter which may be prescribed under this Act and in particular—

Power to make regulations.

- (a) the procedures for the Commission in the exercise of its functions, duties and powers under this Act.; and
- (b) The limits of variation of the composition, pressure and purity of the gas supplied;
- (c) The management of any pipeline or installation under section 10:
- (d) The method by which gas may be stored for purposes of distribution through pipelines;
- (e) The fees to be paid for licences which are required to be prescribed under this Act;
- (f) The measures to be taken and the equipment to be supplied and used in connection with pipelines and installations in order to secure public and private safety;
- (g) The manner of service and the form of notices;

- (h) The standard and methods for the construction of and the materials to be used for pipelines, installations, equipment or appliances;
- (i) The nature of training, examinations and tests for the award of the certificates under section 36, the form of such certificates, the manner and issue thereof, the fees to be paid for such examination and certificates and the manner and circumstances in which the certificates may be modified, suspended or cancelled;
- (j) The means to be adopted, whether by prohibition or otherwise, to prevent or abate any nuisance likely to arise or arising from the working of any pipeline, installation, equipment or appliances;
- (k) The regulation of the licensee and consumer relationship such as provisions on the recovery of charges for gas supply, the annual interest payable by a licensee to any person for any security given and any rates or conditions connected thereto, connection, disconnection or restoration of supply by the licensee, entry into any premises by the licensee or his authorised officers for purposes related to the supply, connection, disconnection or restoration of supply, entry for purposes of replacing, repairing or altering any pipeline, installation, equipment or appliance and the form of any notice required;
- (1) The method and procedure for compounding offences specified in section 35;
- (m) The method and procedure for the investigation of any serious accident reported pursuant to section 37:
- (n) The interval, time and manner for any pipeline or installation to be inspected, the notice (if any) to be given in relation to any inspection and the preparation to be made by the licensee or any owner or occupier of any premises for such inspection;

- The fees payable in respect of the inspection, maintenance consumers testing and of installations, the fitting and testing of meters and in respect of any other service properly rendered on account of consumers; and
- Any other matter generally to give effect to the provisions of this Act.

PART X

MISCELLANEOUS

Certain sections of Act not applicable to factories.

40. In this Act, section 4, 36 and 37 and matters relating to paragraph 40(c), 40(d), 40(f), 40(i), 40(j), 40(m) and 40(n) shall not apply to the supply of gas through pipelines within factories as defined under the Factories and Machinery Act 1967.

Act 139.

41. Notwithstanding any provisions to the country in the Petroleum Development Act1974, Petroleum (Safety Measures) Act 1984 or Factories and Machinery Act 1967 relating to the supply of gas through pipelines, the provisions of this Act shall prevail to the extent of the inconsistency.

Provisions in the contrary. Act 144. Act 302.

- **42.** The Minister may, by notification in the Gazette, exempt —
 - Exemption.
 - *(a)* any person or class of persons from—
 - (i) being licensed under section 10 of this Act; and / or
 - (ii) the provision of section 34 of this Act,

And may, by similar notification, cancel any exemption so notified.

43. (1) Subject to subsection (2) any person who immediately before the date of commencement of this Act was supplying gas through pipelines in any premises may continue to do so during the period of six months from the commencement of this Act:

Transitional and saving provision.

Provided that during that period such person shall make an application for a licence or an exemption from having to hold a licence under this Act:

Provided further that if such person has already made the application then he may continue to supply gas through pipelines in the same premises until his application is finally disposed of, withdrawn, allowed or exempted under this Act.

(2) Any existing pipeline or installation or part thereof in the premises referred to in subsection (1) may continue to be used for such purpose until such time as when it is determined by the Commission or any public officer authorised by him that such use shall be discontinued.

ACT 501

Laws of Malaysia

FIRST SCHEDULE (Subsection 23(2)

MALA YSIA

STATE	OF
--------------	----

GAS SUPPLY ACT 1999

NOTICE OF INTENTION TO ENTER AND DO WORK ON LAND UNDER SECTION 23

То:
Title or other description of land
Take notice that I/we
(here set out as fully and accurately as possible what is intended to be done)
Within fourteen days from the date of receipt of this notice you may Lodge an objection either verbally or in writing with the District Land Administrator at
The District Land Administrator has appointed
Unless you lodge an objection within the specified time it will be presumed that you have consented to my/our entering on the land on terms of this notice.
You will be paid proper compensation for any damage done.
Dated this day of
Licensee

Gas Supply

SECOND SCHEDULE (Subsection 23(7))

MALAYSIA

GAS SUPPLY ACT 1999

ORDER OD THE DISTRICT LAND ADMINISTRATOR IN RESPECT OF IBJECTION ON THE ENTRY ON LAND

In the matter of an injuiry held under subsection 23(6) of the Gas

To:

	Mukim
	uiry has been held on before the District Land Administrator in the presence of
	on behalf of the on vehalf of the land owner.
After he	olding the inquiry it is hereby ordered as follows:
*(a)	the licensee is allowed to enter the said land to do the works as specified in the notice issued under subsection 23(2) of the Gas Supply Act 1999;
*(b)	the licensee is allowed to enter the said land to do the works as specified in the notice issued under subsection 23(2) of the Gas Supply Act 1999 subject to the following conditions:
	(i) (ii) (iii) (iv)
*©	(State the conditions) the licensee is not allowed to enter the said land to do the works specified in the notice issued under subsection 23(2) of the Gas Supply Act 1999.
ed this	day of 19
	District Land Administrator

^{*} delete whichever is not applicable

ACT 501

Laws of Malaysia

THIRD SCHEDULE (Subsection 29(1))

MALA YSIA

STATE OF.....

GAS SUPPLY ACT 1999
ASSESSMENT
To:
In the matter of an inquiry for the payment of compensation under section 22*, 23* or 26* of the Gas Supply Act 1999 between the licensee and the owner of the land situated on Lot No
After having the inquiry iti is hereby ordered that the compensation payable by the licensee to the land owner is as follows:
Dated this day of 19
District Land Administrator

^{*} delete whichever is not applicable