



# Electricity Act 1947

## 1947 CHAPTER 54

### PART I

#### BRITISH ELECTRICITY AUTHORITY AND AREA ELECTRICITY BOARDS.

##### **1 Main functions of Electricity Boards.**

- (1) There shall be established an Authority, to be known as the British Electricity Authority, and it shall be the duty of that Authority as from the vesting date to develop and maintain an efficient, co-ordinated and economical system of electricity supply for all parts of Great Britain except the North of Scotland District, and for that purpose—
  - (a) to generate or acquire supplies of electricity;
  - (b) to provide bulk supplies of electricity for the Area Boards hereinafter established for distribution by those Boards;
  - (c) to co-ordinate the distribution of electricity by Area Boards and to exercise a general control over the policy of those Boards; and
  - (d) to provide supplies of electricity for consumers for whom the British Electricity Authority are required by any provision of this Act or may for the time being be authorised by the Minister to provide such supplies.
- (2) There shall be established Boards, to be known by the names mentioned in the first column of the First Schedule to this Act, for the areas which are described in general terms in the second column of that Schedule and are to be defined by orders made under this Part of this Act, and it shall be the duty of every such Board as from the vesting date to acquire from the British Electricity Authority bulk supplies of electricity and to plan and carry out an efficient and economical distribution of those supplies to persons in their area who require them.
- (3) In this Act and in any amendment made by this Act in any other enactment the British Electricity Authority is referred to as " the Central Authority " and the Boards established under the last foregoing subsection are referred to as " Area Boards " and the Central Authority and the Area Boards, together with the North of Scotland Board, are referred to as " Electricity Boards ".

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- (4) Any Area Board may—
- (a) by agreement with any other Area Board and with the approval of the Central Authority, give to or acquire from that other Area Board bulk supplies of electricity;
  - (b) by agreement with any person other than an Electricity Board and with the approval of the Central Authority, acquire bulk supplies of electricity from that person; and
  - (c) by agreement with any other Area Board, supply electricity to consumers in the area of that other Area Board.

If any Area Board are unable to obtain the agreement of another Area Board under paragraph (c) of this subsection, they may apply to the Central Authority for an authorisation to supply electricity to consumers in such part of the area of that other Area Board as may be specified in the authorisation, and, if the Central Authority gives such an authorisation, the first-named Area Board shall have power to supply electricity in accordance therewith.

- (5) The provisions of the last foregoing subsection shall apply in relation to the North of Scotland Board and the North of Scotland District as if that Board were an Area Board and that District were the area of an Area Board, subject to the modification that any approval of the acquisition of bulk supplies of electricity from any person in the North of Scotland District and any authorisation for the supply of electricity by an Area Board to consumers in the North of Scotland District shall be given by the Secretary of State.
- (6) In exercising and performing their functions the Electricity Boards shall, subject to and in accordance with any directions given by the Minister or Secretary of State under this Part of this Act—
- (a) promote the use of all economical methods of generating, transmitting and distributing electricity;
  - (b) secure, so far as practicable, the development, extension to rural areas and cheapening of supplies of electricity;
  - (c) avoid undue preference in the provision of such supplies;
  - (d) promote the simplification and standardisation of methods of charge for such supplies;
  - (e) promote the standardisation of systems of supply and types of electrical fittings;

and shall also promote the welfare, health and safety of persons in the employment of the Boards.

- (7) As from the vesting date, the powers and duties of the North of Scotland Board under the Act of 1943, with regard to the generation of electricity by water power shall extend to the generation of electricity by any other means, and the North of Scotland District shall be altered so as to include the county of the city of Dundee, the whole of the counties of Angus and Perth and the county of Kinross, and so as to exclude the parish of Rosneath in the county of Dunbarton.

## 2 **Additional functions of Electricity Boards.**

- (1) It shall be the duty of the Central Authority and of any Area Board, in so far as they may be requested by the Central Authority to do so, to conduct research into matters

affecting the supply of electricity, and the Central Authority and, in so far as they may be so requested, any Area Board may assist other persons conducting such research.

- (2) It shall be the duty of the Central Authority and every Area Board, in consultation with any organisation appearing to them to be appropriate, to make provision for advancing the skill of persons employed by them and for improving the efficiency of their equipment and the manner in which that equipment is to be used, including provision by them and the assistance of the provision by others of facilities for training and education.
- (3) The Central Authority shall have power—
- (a) to manufacture electrical plant and electrical fittings;
  - (b) to sell, hire or otherwise supply electrical plant and electrical fittings and to instal, repair, maintain or remove any electrical plant and electrical fittings; and
  - (c) to carry on all such other activities as it may appear to the Authority to be requisite, advantageous, or convenient for them to carry on for or in connection with the performance of their duties under the foregoing section or with a view to making the best use of any assets vested in them by or under this Act:

Provided that this subsection shall not empower the Central Authority to manufacture electrical plant or electrical fittings for export.

- (4) Any Area Board shall have power—
- (a) to sell, hire or otherwise supply electrical fittings and to instal, repair, maintain or remove any electrical fittings; and
  - (b) to carry on all such other activities as it may appear to the Board to be requisite, advantageous or convenient for them to carry on for or in connection with the exercise and performance of their functions under the foregoing section or with a view to making the best use of any assets vested in them by or under this Act:

Provided that nothing in this subsection shall empower an Area Board to exercise or perform any of the functions referred to in paragraph (a) of the last foregoing subsection or paragraph (b) of the last foregoing subsection so far as it relates to the sale, hire or supply of electrical plant.

- (5) The Central Authority and any Area Board shall have power to do any thing and to enter into any transaction (whether or not involving the expenditure, the borrowing in accordance with the provisions of this Act or the lending of money, the acquisition of any property or rights or the disposal of any property or rights not in their opinion required for the proper exercise or performance of their functions) which in their opinion is calculated to facilitate the proper performance of their duties under the foregoing section or the exercise or performance of any of their functions under the foregoing provisions of this section, or is incidental or conducive thereto, but nothing in this subsection shall be taken as empowering an Area Board to exercise or perform any functions specifically excluded from the last foregoing subsection.
- (6) Subject to the approval of the Minister, the Central Authority may authorise any Area Board to exercise or perform on behalf of the Central Authority any of the functions of that Authority which are to be exercised or performed wholly or mainly in the area of the Area Board (not including any functions specifically excluded from subsection (4) of this section) and any such authorisation may be subject to conditions and limitations

and may be so framed as to empower the Area Board to exercise or perform any of the functions delegated to them through agents.

- (7) Any Electricity Board may, by agreement with any other Electricity Board, use for the purposes of any of their functions any works, plant or other property of that other Board, and, if it appears to the Minister that such use cannot be obtained by agreement and is required for the purpose of securing efficient and economical services, he may by order authorise such use on such terms and conditions (including the payment of money) as he may determine.
- (8) Subsections (1), (2), (3) and (5) of this section shall, subject to the provisions of the Act of 1943, apply to the North of Scotland Board in like manner as they apply to the Central Authority, subject to the following modifications:—
- (a) for the reference in subsection (5) to borrowing in accordance with the provisions of this Act there shall be substituted a reference to borrowing in accordance with the Act of 1943; and
  - (b) other references to this Act and references to the foregoing section shall include references to the Act of 1943;

and any order under the last foregoing subsection affecting the North of Scotland Board shall be made by the Minister and the Secretary of State jointly.

- (9) For the avoidance of doubt it is hereby declared that the foregoing provisions of this Act relate only to the capacity of Electricity Boards as statutory corporations, and nothing in those provisions shall be construed as authorising the disregard by any such Board of any enactment or rule of law.

### **3 Constitution of Central Authority and Area Boards.**

- (1) The Central Authority and every Area Board shall be a body corporate with perpetual succession and a common seal and power to hold land without; licence in mortmain.
- (2) The Central Authority shall be constituted as follows:—
- (a) the chairman and not less than four or more than six other members shall be appointed by the Minister from amongst persons appearing to him to be qualified as having had experience of, and having shown capacity in, the generation and supply of electricity," industrial, commercial or financial matters, applied science, administration, or the organisation of workers ;
  - (b) four other members shall be appointed by the Minister from amongst the persons for the time being holding the office of chairman of an Area Board, and such appointments shall be made from the Area Boards in rotation; and
  - (c) there shall be one other member who shall be the person for the time being holding the office of chairman of the North of Scotland Board:

Provided that, until the Area Boards have been established, the Central Authority shall be deemed to be properly constituted notwithstanding that the members to be appointed under paragraph (b) of this subsection have not been appointed or have not all been appointed.

- (3) Every Area Board shall be constituted as follows:—
- (a) the chairman and not less than five or more than seven other members shall be appointed by the - Minister after consultation with the Central Authority from amongst persons appearing to the Minister to be qualified as having had experience of, and having shown capacity in, electricity supply, local

government, industrial, commercial, agricultural or financial matters, applied science, administration, or the organisation of workers; and

- (b) there shall be one other member who shall be the person for the time being holding the office of chairman of the Consultative Council established under the following provisions of this Part of this Act for the area of the Area Board:

Provided that, until the Consultative Council has been established, an Area Board shall be deemed to be properly constituted notwithstanding that the Board does not include the member referred to in paragraph (b) of this subsection and, during any period before the vesting date, an Area Board shall be deemed to be properly constituted if the chairman and three other members have been appointed.

- (4) A person shall be disqualified for being appointed or being a member of the Central Authority or any Area Board so long as he is a member of the Commons House of Parliament.
- (5) The Minister shall appoint one or more of the members of the Central Authority to be deputy chairman or deputy chairmen of that Authority, and shall, after consultation with the Central Authority, appoint one of the members of each of the Area Boards to be deputy chairman of that Board.
- (6) There shall be paid to the members of the Central Authority and to the members of each of the Area Boards such remuneration (whether by way of salaries or fees) and such allowances as may be determined by the Minister with the approval of the Treasury, and, on the retirement or death of any member in whose case it may be so determined to make such provision, such a pension to or in respect of that member as may be so determined.

Any such remuneration, allowances and pensions as aforesaid shall be paid by the Central Authority or, as the case may be, the Area Board concerned.

- (7) The Minister may make regulations with respect to—
- (a) the appointment of, and the tenure and vacation of office by, the members of the Central Authority and any Area Board;
  - (b) the quorum, proceedings, meetings and determinations of the -Central Authority and any Area Board;
  - (c) the execution of instruments and the mode of entering into contracts by and on behalf of the Central Authority or any Area Board, and the proof of documents purporting to be executed, issued or signed by the Central Authority or any Area Board or a member or officer thereof; and
  - (d) any other matters supplementary or incidental to the matters aforesaid for which provision appears to the Minister to be necessary or expedient.
- (8) Subject to the provisions of any regulations made under the last foregoing subsection, the Central Authority, and every Area Board shall have power to regulate their own procedure.

#### **4 Definition and variation of areas.**

- (1) The Minister shall before the vesting date by order made after consultation with the Central Authority define the areas for which Area Boards are established under this Act, and each area shall be so defined by reference to a map, and copies of the map of each area shall be available for inspection at such places and at such times as may be specified in a notice published by the Minister in the London Gazette and, in the case

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of an area in Scotland, the Edinburgh Gazette, and (in all cases) in such newspapers circulating in the area as the Minister thinks fit.

- (2) The Minister may, after consultation with the Central Authority and after giving to each Area Board concerned an opportunity to make representations, by order vary the areas for which Area Boards are established under this Act, and such variation may involve not only the variation of the boundaries of existing areas but also the formation of a new area from any part of an existing area or parts of existing areas or the amalgamation of an existing area with any other such area or part thereof.

Any such order shall define by reference to a map the new areas or new boundaries constituted by the order, and copies of any such map shall be available for inspection in like manner as copies of the maps defining the original areas.

- (3) If any question arises as to the exact boundary of any area, as defined by any order made under this section, it shall be determined by the Minister, after giving to the Area Boards concerned an opportunity to make representations on such question.
- (4) An order made under subsection (2) of this section the effect of which is to increase or reduce the total number of such areas as aforesaid, or to constitute a new area for which a new Area Board is required to be established under the next following subsection, shall not be made unless a draft thereof has been laid before Parliament and has been approved by resolution of each House of Parliament.
- (5) An order made under subsection (2) of this section shall state whether the areas affected by the order are to be regarded as the areas of existing Area Boards, or whether any such area is to be regarded as a new area for which a new Area Board is required to be established, and in the latter case a new Board shall be established in accordance with the foregoing provisions of this Act and those provisions shall apply to that Board accordingly, and it shall be known by such name as may be specified in the order.
- (6) An order made under subsection (2) of this section shall, so far as it appears to the Minister to be necessary or expedient in consequence of the variation of areas or the establishment of a new Area Board, provide—
- (a) for the transfer of property, rights, liabilities and obligations from one Area Board to another;
  - (b) for the modification of agreements for the purpose of giving effect to the transfer of rights, liabilities and obligations thereunder from one Area Board to another and, in a case where part only of the rights, liabilities and obligations under any agreement are transferred, for substituting for that agreement separate agreements in the requisite terms, and for any apportionments and indemnities consequent thereon;
  - (c) for the purpose of transferring part of the land comprised in any lease vested in any such Board to another such Board, for the severance of that lease, and for apportionments and indemnities consequent thereon;
  - (d) for dissolving any Area Board the whole of whose functions are to be exercised by another Area Board or Boards, and for winding up the affairs of the Board to be dissolved; and
  - (e) for such other financial adjustments between the Boards concerned as may be required in consequence of any such transfer, and for any other matter supplementary to or consequential on the matters aforesaid, including the continuation of legal proceedings.

- (7) The foregoing provisions of this section except subsection (1) shall apply to the North of Scotland Board and the North of Scotland District as if that Board were an Area Board and that District were the area of an Area Board, subject to the modification that an order or determination affecting that Board and District shall be made by the Minister and the Secretary of State jointly.

## **5 Powers of Minister in relation to Central Authority.**

- (1) The Minister may, after consultation with the Central Authority, give to that Authority such directions of a general character as to the exercise and performance by the Authority of their functions under this Act as appear to the Minister to be requisite in the national interest, and the Authority shall give effect to any such directions.
- (2) In carrying out such measures of reorganisation Or such works of development as involve substantial outlay on capital account, and in giving directions to any Area Board with respect to such measures or works, the Central Authority shall act in accordance with a general programme settled from time to time in consultation with the Minister.
- (3) In the exercise and performance of their functions as to training, education and research, the Central Authority shall act in accordance with a general programme settled as aforesaid.
- (4) The Minister may, after consultation with the Central Authority, give to that Authority directions as to the use or disposal of any assets vested in the Authority by or under this Act which are not connected with the generation, transmission or distribution of electricity, and the Authority shall give effect to any such directions.
- (5) The Central Authority shall afford to the Minister facilities for obtaining information with respect to the property and activities of the Authority, and furnish him with returns, accounts and other information with respect thereto, and afford to him facilities for the verification of information furnished, in such manner and at such times as he may require.
- (6) The Central Authority shall furnish the Minister with returns, accounts and other information with respect to the property and activities of all Area Boards, in such manner and at such times as he may reasonably require.
- (7) The foregoing provisions of this section, except subsection (5) and the provisions relating to Area Boards, shall apply to the North of Scotland Board in like manner as they apply to the Central Authority, subject to the modification that references to the Secretary of State shall be substituted for references to the Minister.

## **6 Powers of Central Authority and Minister in relation to Area Boards.**

- (1) The Central Authority may give such directions to Area Boards as appear to the Central Authority to be necessary or expedient for the purpose of co-ordinating the distribution of electricity by Area Boards and: exercising a general control over the policy of those Boards, and every Area Board shall give effect to, any such, directions given to them by the Central Authority.
- (2) In the exercise and performance of their functions as to training, education and research, every Area Board shall act in accordance with a general programme settled from time to time in consultation with the Minister.

- (3) The Minister may after consultation with the Central Authority give directions to any Area Board as to the use or disposal of any assets vested in the Board by or under this Act which are not connected with the distribution of electricity, and the Board shall give effect to any such directions.
- (4) Every Area Board shall afford to the Central Authority and, if the Minister so requires, to the Minister, facilities for obtaining information with respect to the property and activities of the Area Board, and furnish the Central Authority and, if he so requires, the Minister, with returns, accounts, and other information with respect thereto, and afford to the Central Authority and the Minister facilities for the verification of information furnished, in such manner and at such times as the Central Authority or the Minister may require.

## 7 Consultative Councils.

- (1) A Consultative Council shall be established for the purposes mentioned in this section for the area of every Area Board.
- (2) Each of the said Councils shall consist of not less than twenty nor more than thirty persons to be appointed by the Minister of whom—
  - (a) not less than half nor more than three-fifths shall be appointed from a panel of persons nominated from amongst members of local authorities in the area by such associations as appear to the Minister to represent those authorities; and
  - (b) the remainder shall be appointed, after consultation with such bodies as the Minister thinks fit, to represent agriculture, commerce, industry, labour and the general interests of consumers of electricity and other persons or organisations interested in the development of electricity in the area.

In making the appointments mentioned in paragraph (b) of this subsection, the Minister shall have particular regard to any nominations made to him by the bodies aforesaid of persons who are recommended by them as having both adequate knowledge of the requirements of the interests to be represented and also the ability to exercise a wide and impartial judgment on the matters to be dealt with by the Council generally.

- (3) A person shall be disqualified for being appointed or being the chairman of a Consultative Council so long as he is a member of the Commons House of Parliament, but a member of a Consultative Council other than the chairman shall not by reason of his appointment as such a member be disqualified for being elected to, or for sitting, or voting as a "member of, the Commons House of Parliament.
- (4) Each of the said Councils shall be charged with the duties—
  - (a) of considering any matter affecting the distribution of electricity in the area, including the variation of tariffs and the provision of new or improved services and facilities within the area, being a matter which is the subject of a representation made to them by consumers or other persons requiring supplies of electricity in that area, or which appears to them to be a matter to which consideration ought to be given apart from any such representation, and where action appears to them to be requisite as to any such matter, of notifying their conclusions to the Area Board; and
  - (b) of considering and reporting to the Area Board on any such matter which may be referred to them by that Board.



- (5) Each of the said Councils shall be informed by the Area Board of that Board's general plans and arrangements for exercising and performing their functions under this Act and may make representations thereon to that Board.
- (6) The Area Board shall consider any conclusion, reports and representations notified or made to them by the Council for their area under the two last foregoing subsections and the Council may, after consultation with the Area Board, make representations to the Central Authority on matters arising thereout.
- (7) Where representations have been so made to the Central Authority and it appears to that Authority, after consultation with the Area Board and with the Council, that a defect is disclosed in that Area Board's general plans and arrangements for the exercise and performance of their functions under this Act, the Central Authority may give to the Area Board such directions as they think fit for remedying the defect and the Area Board shall give effect to any such directions.
- (8) A Consultative Council may, after consultation with the Central Authority, make representations to the Minister on any matters arising out of representations made by them to the Central Authority under subsection (6) of this section, and if it appears to the Minister, after consultation with the Area Board and with the Council, that a defect is disclosed in the Area Board's general plans and arrangements for the exercise and performance of their functions under this Act, he may notify the defect to the Central Authority, and thereupon the Central Authority shall give to the Area Board such directions as they think necessary for remedying the defect, and the Area Board shall give effect to any such directions.
- (9) Every Consultative Council shall prepare and submit to the Minister a scheme for the appointment by them of committees or individuals to be local representatives of the Council in such localities as may be specified in the scheme, and it shall be the duty of such committees and individuals to consider the particular circumstances and requirements of those localities with respect to the distribution of electricity and to make representations to the Council thereon, and to be available for receiving on behalf of the Council representations from consumers in those localities; and, if the scheme is approved by the Minister, the Consultative Council shall put it into effect.
- A member of a Consultative Council shall be eligible for appointment under such a scheme, either as a member of a committee or as an individual, but membership of the Council shall not be a necessary qualification for such an appointment.
- (10) A Consultative Council may, subject to the approval of the Minister as to numbers, appoint such officers as appear to the Council to be requisite for the proper exercise and performance of their functions (including functions of any committee or individual appointed under the last foregoing subsection) , and there shall be paid by the Central Authority—
- (a) to the members of the said Councils or of any such committee or to any such individual such allowances in respect of any loss of remunerative time and such travelling allowances and allowances in respect of their out-of-pocket expenses; and
  - (b) to the officers of the said Councils such remuneration (whether by way of salary or fees) and such allowances,
- as the Minister may with the approval of the Treasury determine.
- (11) A Consultative Council shall be furnished by the Area Board concerned with such office accommodation as appears to the Board to be requisite for the proper exercise

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and performance of their functions (including the functions of any such committee or individual as aforesaid or as may be directed by the Minister.

- (12) Where, in consequence of the variation of the areas of Area Boards under the foregoing provisions of this Part of this Act, it is necessary to establish new Consultative Councils under this section, the Minister may by order provide for dissolving and winding up the affairs of any Consultative Council who cease to exercise or perform functions by reason of the variation.
- (13) Provision may be made by regulations in relation to Consultative Councils for any matters for which provision may be made by regulations under section three of this Act in relation to the Central Authority and any Area Board, and for the appointment of a chairman of each of the said Councils, with or without provision for another to act in his place, and, subject to the provisions of any such regulations, the said Councils shall have power to regulate their own procedure.
- (14) The foregoing provisions of this section other than subsection (8) shall apply to the North of Scotland Board as if that Board were an Area Board and the North of Scotland District were the area of an Area Board, subject to the modifications that—
  - (a) for references to the Minister there shall be substituted references to the Secretary of State; and
  - (b) for the references to the Central Authority there shall be substituted—
    - (i) in subsections (6) and (7) references to the Secretary of State, and
    - (ii) in subsection (10) references to the North of Scotland Board.

## **8 Annual reports of Central Authority and Area Boards.**

- (1) The Central Authority shall, as soon as possible after the end of each financial year, make to the Minister a report on the exercise and performance by them of their functions during that year and on their policy and programmes, and every Area Board shall, as soon as possible after the end of each financial year, make to the Central Authority a report on the exercise and performance by them of their functions during that year and on their policy and programmes.
- (2) The report of the Central Authority for any year shall set out any direction given by the Minister to the Authority during that year unless the Minister has notified the Authority his opinion that it is against the interests of national security to do so, and the Central Authority shall submit with their report for any year copies of the reports for that year of the Area Boards.
- (3) The Minister may give directions as to the form of the reports to be made under this section, and the Central Authority and Area Boards shall comply with any such directions.
- (4) A Consultative Council may, as respects any financial year of the Area Board for their area or, if their area is the North of Scotland District, of the North of Scotland Board, make to the Board a report on the exercise and performance by the Council of their functions during that year and any such report shall be made to the Board as soon as possible after the end of the said financial year, and the Board shall include that report in the report made by them under this section or, as the case may be, under section twenty-three of the Act of 1943.
- (5) The Minister shall lay before each House of Parliament a copy of the report made for each financial year by the Central Authority together with copies of the reports of the

Area Boards, and shall at the same time lay before each House of Parliament a report with respect to the exercise of his functions during that year under this Act and the Electricity (Supply) Acts, 1882 to 1936, except as regards matters which in his opinion it is against the interests of national security to disclose.

## **9 Compulsory purchase of land.**

- (1) The Minister may authorise any Electricity Board to purchase compulsorily any land which they require for any purpose connected with the discharge of their functions, and the Acquisition of Land (Authorisation Procedure) Act, 1946 (except section two thereof), shall apply, in relation to any such compulsory purchase, as if the Board were a local authority within the meaning of that Act and as if this Act had been in force immediately before the commencement of that Act.
- (2) In this section the expression " land " includes easements and other rights over land, and an Electricity Board may be authorised under this section to purchase compulsorily a right to place an electric line across land, whether above or below ground, and to repair and maintain the line, without purchasing any other interest in the land.

In relation to the compulsory purchase of any such right to place an electric line across land, the said Acquisition of Land (Authorisation Procedure) Act, 1946 (except section two thereof), and the enactments incorporated therewith shall have effect as if references (whatever the terms used) to the land comprised in the compulsory purchase order were construed, where the context so requires, as references to the land across which the line is to be placed, and references to the obtaining or taking possession of the first-mentioned land were construed as references to the exercise of the said right.

- (3) Section fourteen of the Schedule to the Electric Lighting (Clauses) Act, 1899 (as incorporated with this Act), so far as the said section relates to the Postmaster General, shall apply to the placing of an electric line in pursuance of any right purchased under this section in like manner as it applies to the execution of works involving the placing of lines in, under, along, or across any street or public bridge.
- (4) This section shall, in relation to the North of Scotland Board, only apply to the purchase of land or rights other than land or rights required by them for the purposes of a constructional scheme under the Act of 1943, and shall apply with the substitution of a reference to the Secretary of State for the reference to the Minister.

## **10 Power of Electricity Boards to promote and oppose Bills.**

The Central Authority and any Area Board may, with the consent of the Minister, and the North of Scotland Board may, with the consent of the Secretary of State, promote Bills in Parliament and any Electricity Board may oppose any Bill in Parliament, and this power shall be in lieu of any power to promote or oppose Bills which an Electricity Board might otherwise possess under any of the provisions of this Act as successors to any authorised undertakers.

## **11 Electricity Boards not to be exempt from taxation, etc.**

- (1) Subject to the provisions of subsection (2) of this section, nothing in this Act shall be deemed to exempt any Electricity Board from any liability for any tax, duty, rate, levy or other charge whatsoever whether general or local.

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- (2) For the purposes of section fifty-two of the Finance Act, 1946 (which exempts from stamp duty certain documents connected with nationalisation, schemes) any transfers of property from one Electricity Board to another effected by an order made under this Act shall be deemed to be part of the initial putting into force of such a scheme.

## **12 Liability of Electricity Boards in actions, etc.**

- (1) The Public Authorities Protection Act, 1893, and section twenty-one of the Limitation Act, 1939, shall not apply to any action, prosecution or proceeding against any Electricity Board or in respect of any act, neglect or default done or committed by a servant or agent of any such Board in his capacity as a servant or agent of theirs.
- (2) In their application to any such action as aforesaid sections two and three of the Limitation Act, 1939 (which relate to limitation of actions of contract and tort and certain other actions), shall have effect with the substitution therein for references to six years of references to three years.

## **PART II**

### **ACQUISITION OF ELECTRICITY UNDERTAKINGS.**

#### *Vesting of Assets.*

## **13 Bodies to whom Part II of Act applies.**

- (1) This Part of this Act applies to—
- (a) the bodies specified in the Second Schedule to this Act (hereafter in this Act referred to as " authorised undertakers ") being the bodies who fall within the class described in the next following subsection;
  - (b) every company (hereafter in this Act referred to as a " power station company ") who are not authorised undertakers but whose business wholly or mainly consists in the construction, owning or operating of a generating station or stations for the supply of electricity to authorised undertakers; and
  - (c) every company (hereafter in this Act referred to as an " electricity holding company ") who—
    - (i) are not authorised undertakers, or a power station company,
    - (ii) had at the date of the last audited balance sheet of the electricity holding company before the first day of January, nineteen hundred and forty-six, one or more subsidiary companies, being authorised undertakers or power station companies, and
    - (iii) at the said date held securities of, or rights in respect of moneys owed by, the said subsidiary companies, the value of which, as shown in that balance sheet, amounted to not less than three-quarters of the total amount of all the assets of the holding company as so shown:

Provided that any company who are not authorised undertakers, a power station company or an electricity holding company but who hold securities of, or rights in respect of monies owed by, authorised undertakers or power station companies amounting to a substantial proportion of the assets of the first mentioned company, may serve on the Minister, not later than two months after the passing of this Act, a

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notice stating that they wish to be treated as an electricity holding company, and the Minister may, on the service of such notice, if he thinks fit, by order direct that this Act is to have effect, and be deemed always to have had effect, as if the company were an electricity holding company, and this Act shall have effect accordingly.

- (2) The class of bodies referred to in paragraph (a) of the last foregoing subsection are—
- (i) bodies who supply electricity, under the authority of any enactment, in any area of supply in Great Britain; and
  - (ii) bodies who supply electricity, under the authority of an enactment, to the bodies mentioned in paragraph (i) hereof or to the Central Electricity Board:

Provided that the said class does not include—

- (a) the North of Scotland Board;
  - (b) any body, other than a local authority, whose business as suppliers of electricity consists wholly or mainly in the supply of electricity for consumption by themselves or by a company of whom they are a subsidiary company;
  - (c) any local authority who supply electricity for the purposes of a transport undertaking carried on by them and do not supply electricity for other purposes to any substantial extent; or
  - (d) any body, other than a local authority, who carry on a transport undertaking and who do not supply electricity under any provisional or special order made under the Electricity (Supply) Acts, 1882 to 1936.
- (3) Where a special order made under section twenty-six of the Electricity (Supply) Act, 1919, comes into force between the passing of this Act and the vesting date and provides for the transfer of the undertaking or any part of the undertaking of any authorised undertakers to another body, the order may—
- (a) if the body from whom the undertaking or part thereof is transferred no longer falls within the class described in subsection (2) of this section, provide that this Part of this Act shall not apply to that body;
  - (b) if by reason of the transfer, the body to whom the undertaking or part thereof is transferred falls within the said class, provide that this Part of this Act shall apply to that body;

and this Act shall have effect in accordance with any such direction.

- (4) Any such special order may, for the purpose of giving effect to a transfer of the undertaking or part thereof, revoke or amend any enactment relating to the powers of the body from whom the undertaking or part thereof is transferred.
- (5) For the purposes of paragraph (c) of subsection (1) of this section, where the value of any such securities or rights as are therein mentioned is not separately shown in the balance sheet therein mentioned, by reason that they are grouped with other assets of the company and the balance sheet shows the value of the group as a whole, the value placed on the said securities or rights in the books of the company and used in arriving at the value of the group of assets as so shown shall have effect as if it had been shown separately in the balance sheet.
- (6) Where an agreement under section eighteen of the Act of 1943 for the transfer to the North of Scotland Board of the whole or any part of the undertaking of any undertakers comes into force between the passing of this Act and the vesting date, and the undertakers thereupon cease to fall within the class described in subsection (2) of this section, this Part of this Act shall not apply to them.

## 14 Vesting of assets of electricity undertakings.

- (1) Subject to the provisions of this Part of this Act all property, rights, liabilities and obligations which, immediately before such date as may be appointed by order of the Minister (in this Act referred to as "the vesting date") were property, rights, liabilities and obligations of a body to whom this Part of this Act applies, shall on the vesting date vest by virtue of this Act and without further assurance in such Electricity Board or Boards as may be specified in the following provisions of this section or determined thereunder.

The vesting date shall be not less than six months after the establishment of the Central Authority and not less than three months after the establishment of all the Area Boards and the definition by order made under Part I of this Act of all the areas for which those Boards are established and shall not be earlier than the first day of April, nineteen hundred and forty-eight.

- (2) Subject to the provisions of this section relating to the North of Scotland District—
- (a) the property, rights, liabilities and obligations mentioned in subsection (1) of this section of the Central Electricity Board, any power station company and any electricity holding company, shall vest in accordance with the said subsection (1) in the Central Authority;
  - (b) the property, rights, liabilities and obligations aforesaid of any authorised undertakers to whom this Part of this Act applies (other than the Central Electricity Board) shall vest as aforesaid in such one of the Area Boards as may be determined by order of the Minister:

Provided that—

- (i) all generating stations of any such authorised undertakers and all main transmission lines of such undertakers, being lines connecting a generating station directly with another generating station or with any main transmission lines of the Central Electricity Board, and all property and rights held or used by the undertakers wholly or mainly for the purposes of such stations and transmission lines and all liabilities and obligations wholly or mainly incurred by the undertakers for those purposes;
- (ii) all rights, liabilities and obligations under agreements between any authorised undertakers and any railway undertakers for the supply of electricity to the railway undertakers for the purposes of haulage or traction, and all transmission lines used wholly or mainly for the purpose of giving a supply to any railway undertakers for the purposes of haulage or traction; and
- (iii) all investments and cash of any such undertakers and all rights and liabilities thereof in respect of income tax and excess profits tax;

shall vest in the Central Authority and not in an Area Board.

- (3) The last foregoing subsection shall not apply—
- (a) to any authorised undertakers or power station company whose undertaking is wholly or mainly carried on in the North of Scotland District; or
  - (b) to any electricity holding company whose interests in undertakings of authorised undertakers and power station companies consist wholly or mainly of interests in the undertakings of undertakers and companies referred to in paragraph (a) of this subsection;

and the property, rights, liabilities and obligations referred to in subsection (1) of this section of any such undertakers or company shall vest in accordance with that

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subsection in the North of Scotland Board instead of the Central Authority or an Area Board, as the case may be.

- (4) Any dispute arising under either of the last two foregoing subsections as to the Electricity Board in whom any property, rights, liabilities or obligations are to vest shall be determined by the Minister or, if the North of Scotland Board is a party to the dispute, by the Minister and Secretary of State jointly.
- (5) Subject to the provisions of this Part of this Act, every agreement to which any body to whom this Part of this Act applies were a party immediately before the vesting date, whether in writing or not, and whether or not of such a nature that rights, liabilities and obligations thereunder could be assigned by the body, shall, unless its terms or subject matter make it impossible that it should have effect as modified in manner provided by this subsection, have effect as from the vesting date as if—
  - (a) the appropriate Board had been a party to the agreement;
  - (b) for any reference (however worded and whether express or implied) to the body there were substituted, as respects anything falling to be done on or after the vesting date, a reference to the appropriate Board;
  - (c) for any reference (however worded, and whether express or implied) to, or to any part of, or to any sum determined by reference to, any profits or receipts of the undertaking of the body or any part of that undertaking there were substituted, as respects profits or receipts arising on or after the vesting date, a reference to, or to the corresponding part of, or to a sum similarly determined by reference to, an estimate of what those profits or receipts would have been but for the vesting of the undertaking or part thereof in the appropriate Board;
  - (d) for any reference (however worded and whether express or implied) to the directors or any director of the body there were substituted, as respects anything falling to be done on or after the vesting date, a reference to such person as the appropriate Board may direct;
  - (e) for any reference (however worded and whether express or implied) to any officer of the body there were substituted, as respects anything falling to be done on or after the vesting date, a reference to such person as the appropriate Board may appoint or, in default of appointment, to the officer of the Board who corresponds as nearly as may be to the first mentioned officer;
  - (f) in the case of an agreement for the rendering of personal services to the body, the services to which the agreement relates were, on and after the vesting date, any services under the appropriate Board to be selected by that Board, which are reasonably equivalent services; and
  - (g) save as provided by the four last foregoing paragraphs, for any reference (however worded and whether express or implied) to the undertaking of the body or any part of that undertaking or to the area of supply of the body or any part of that area there were substituted, as respects anything falling to be done on or after the vesting date, a reference to so much of the business carried on by the appropriate Board as corresponds to the undertaking or part of the undertaking of the body or, as the case may be, a reference to the area constituting the said area of supply or part thereof immediately before the vesting date.
- (6) Other documents, not being enactments, which refer, whether specifically or generally, to any such body, shall be construed in accordance with the provisions of the last foregoing subsection, so far as applicable.

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- (7) Without prejudice to the generality of the foregoing provisions of this section, where, by the operation of any of the said provisions, any right, liability or obligation vests in an Electricity Board, the Board and all other persons shall, as from the vesting date, have the same rights, powers and remedies (and in particular the same rights as to the taking or resisting of legal proceedings or the making or resisting of applications to any authority) for ascertaining, perfecting or enforcing that right, liability or obligation as they would have had if it had at all times been a right, liability or obligation of the Board, and any legal proceedings or applications to any authority pending on the vesting date by or against the body, in so far as they relate to any property, right, liability or obligation vested in an Electricity Board by virtue of this Act, or to any agreement or document which has effect in accordance with subsection (5) or subsection (6) of this section, or to any enactment applied to the Board by or under this Act, shall be continued by or against the Board to the exclusion of the body.
- (8) Notwithstanding anything in this section—
- (a) there shall not, by reason of the vesting of property, rights, liabilities or obligations of any body to whom this Part of this Act applies, in any Electricity Board, be transferred to the Board any right, liability or obligation of the body in respect of any securities issued by the body;
  - (b) where any agreement provides for the borrowing of money by any such body or the raising of money by the issue of securities of any such body and the money has not been borrowed or raised before the vesting date, no right, liability or obligation under the agreement shall be transferred to any such Board;
  - (c) no right, liability or obligation under any agreement for the rendering by any person of services to any such body as a director (other than a managing director or a director whose functions are substantially those of an employee) shall be transferred to any such Board, except any liability in respect of fees earned or expenses incurred before the vesting date; and
  - (d) no right, liability or obligation of any such body, being a right exercisable against, or a liability or an obligation to, any other such body shall be transferred to any such Board:

Provided that where, under an agreement subsisting immediately before the vesting date, a body to whom this Part of this Act applies were under an obligation to give a bulk supply of electricity to another such body, and the obligation to give that supply and the right to receive it would, but for this subsection, have vested in different Area Boards, the Area Board in whom that obligation would have vested shall continue to give the bulk supply to the other Area Board on such terms and conditions as may be agreed between them or, in default of agreement, as may be determined by the Central Authority.

- (9) Regulations may provide for the registration of the title of any Electricity Board to assets vesting in them by virtue of this Act, being assets of a kind subject to provision for the registration of title thereto, and for any other matters for which provision appears to the Minister to be necessary or expedient for the purpose of securing the effective transfer of any assets vesting in any such Board by virtue of this Act.
- (10) In this section the expression " the appropriate Board " means, in relation to any body all of whose property, rights, liabilities and obligations vest by virtue of this Act in a single Electricity Board, that Board, and in any other case means—
- (a) in relation to an agreement, the Electricity Board in whom rights, liabilities and obligations under the agreement vest by virtue of this Act; and



- (b) in relation to any document other than an agreement, the Electricity Board appearing from the subject matter of that document to be concerned therewith.
- (11) Subject to the next following section and section seventeen of this Act, every body to whom this Part of this Act applies shall be dissolved on the vesting date.

## **15 Provisions as to undertakings of local authorities.**

- (1) In the case of any authorised undertakers being a local authority the provisions of the last foregoing section shall only apply to property held or used by the local authority wholly or mainly in their capacity as authorised undertakers, and rights, liabilities and obligations acquired or incurred by the local authority in the said capacity, and accordingly references in that section to the property, rights, liabilities and obligations of a body to whom this Part of this Act applies, or to any agreement to which any such body was a party, or to documents referring to any such body, or to legal proceedings or applications by or against any such body shall be construed as references to property held or used by the local authority wholly or mainly in their capacity as authorised undertakers and rights, liabilities and obligations acquired or incurred by the local authority in the said capacity or, as the case may be, to agreements, documents, legal proceedings or applications of or relating to the local authority in their capacity as authorised undertakers, and subsection (n) of the last foregoing section shall not apply to any such local authority.
- (2) Regulations may provide—
- (a) for excluding from or including in the property, rights, liabilities and obligations which vest in an Electricity Board by virtue of this Act, such property, rights, liabilities or obligations held, used, acquired or incurred by any such local authority partly in their capacity as authorised undertakers and partly in other capacities, on such terms (which may include the payment of money), as may be agreed between the Electricity Board concerned and the local authority or, in default of agreement, determined in accordance with the regulations;
  - (b) for requiring any Electricity Board, as respects property which vests in them by virtue of this Act, being property held or used by any such local authority partly in their capacity aforesaid and partly in other capacities, to grant to the local authority such interests in the property or rights over or attaching to the property or in respect of the user thereof, on such terms (which may include the payment of money), as may be agreed between the Electricity Board and the local authority or, in default of agreement, determined in accordance with the regulations, or for requiring the similar grant of interests or rights by the local authority to the Electricity Board in a case where such property does not vest in the Board;
  - (c) for conferring on any Electricity Board in whom land of any such local authority is vested easements and other rights over or attaching to other land of the local authority, being easements and rights which are required to enable land which is so vested to be used for the purposes of the Board, on such terms (including the payment of money) as may be agreed between the Electricity Board and the local authority or, in default of agreement, determined in accordance with the regulations;
  - (d) for the severance of leases comprising land of which part only was used by the local authority in their capacity as authorised undertakers, and for apportionments and indemnities consequent on such severance;

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- (e) for substituting for any agreement entered into by any such local authority partly in their capacity as authorised undertakers and partly in other capacities separate agreements in the requisite terms, and for any apportionments and indemnities consequent thereon; and
- (f) for any other matters supplementary to or consequential on the matters aforesaid for which provision appears to the Minister to be necessary or expedient.

For the purposes of this subsection, any property which is held or used by a local authority temporarily in their capacity as authorised undertakers and normally in other capacities, or normally in the said capacity and temporarily in other capacities, shall be deemed to be property held or used by a local authority partly in the said capacity and partly in other capacities.

- (3) Any question arising under this section as to whether any property is or was held or used by any such local authority wholly or mainly in their capacity as authorised undertakers, or whether any property is or was (for the purposes of the last foregoing subsection) held or used partly in the said capacity and partly in other capacities, or whether any rights, liabilities or obligations were acquired or incurred by any such local authority in the said capacity or whether any agreements or documents relate or related to any such local authority in their capacity as authorised undertakers, shall, in default of agreement, be determined by the Minister of Health, and he shall have regard to whether or not entries relating to any property, rights or liabilities were or ought to have been included in accounts furnished by the local authority to the Electricity Commissioners under section nine of the Electric Lighting Act, 1882.
- (4) Where at any time before the expiration of three months beginning with the vesting date a local authority has served on the Minister of Health and on the Electricity Board concerned, or an Electricity Board has served on the said Minister and on the local authority concerned, a notice in the prescribed form stating that a question has arisen under this section or under any regulations made thereunder as to—
  - (a) whether any property is or was held or used by the local authority wholly or mainly in their capacity as authorised undertakers and accordingly vests in the Electricity Board by virtue of this Act;
  - (b) whether any property of the local authority ought to be excluded from or included in the property which so vests;
  - (c) whether interests in any property of the local authority, or rights over or attaching to such property or in respect of the user thereof, ought to be granted by the local authority to the Electricity Board or by the Board to the authority; or
  - (d) whether any lease ought to be severed;

and the question has not been settled by agreement or determined before the vesting date, the property concerned shall not, pending such agreement or determination, vest in the Electricity Board by virtue of this Act and, if the notice is given after the vesting date, shall be deemed not to have so vested, but the property shall, so far as it is so to vest having regard to the agreement or determination, vest on such date as may be agreed or determined, and pending the settlement or determination of the said question and the vesting of property and the granting of interests or rights in accordance therewith, the Electricity Board shall be entitled and shall be deemed to have been entitled as from the vesting date to use the property for the like purposes and to the like extent as it was used, immediately before that date, by the local authority in their capacity as authorised undertakers, on such terms (which may include the

payment of money) as may be agreed between the Electricity Board and the local authority or, in default of agreement, determined by the Minister of Health.

- (5) Notwithstanding anything in the last foregoing section or this section, there shall not, by reason of the vesting of property, rights, liabilities and obligations of any local authority, in any Electricity Board, be transferred to that Board any liabilities or obligations in respect of any loan raised by the local authority, or be transferred to that Board any property forming part of a sinking fund established for the redemption of any such loan, and any property vesting in the Board, being property subject to a mortgage created for securing the repayment of any such loan, shall vest free of the mortgage.
- (6) References in the following provisions of this Act to bodies to whom this Part of this Act applies (not being references which expressly exclude local authorities) shall be construed, in relation to a local authority, as referring to that authority in their capacity as authorised undertakers.

## **16 Right of pre-emption for local authorities in respect of land vested in an Electricity Board.**

- (1) Where any land of a local authority vests by virtue of this Act in an Electricity Board, the local authority shall, for a period of ten years from the date of the vesting of the land, have the right of pre-emption conferred by the subsequent provisions of this section.
- (2) If the Electricity Board in whom the land vests by virtue of this Act, or any other Electricity Board to whom it is subsequently transferred, desire within the said period of ten years, to dispose to any person other than an Electricity Board, whether absolutely or for a term of years, of any of that land as being land not required by the Board for the discharge of their functions under this Act, they shall before disposing of it give to the local authority at least three months' notice, stating whether they desire to dispose of it absolutely and, if not, stating the term of years for which they desire to dispose of it.
- (3) Where the local authority receive a notice under subsection (2) of this section and notify the Board, before the expiration of the period of three months from the date of the Board's notice, that they desire to acquire the land either absolutely or for the term of years specified in the Board's notice, as the case may be, they shall have the right and be under an obligation to acquire that land on such terms as may be agreed between the Board and the authority or, in default of agreement, as may be determined, by arbitration to be fair and reasonable having regard to all the circumstances of the case.
- (4) The right of pre-emption conferred upon the local authority by this section shall be deemed to be an estate contract within the meaning of section ten of the Land Charges Act, 1925, and that Act and the Land Registration Act, 1925, shall have effect accordingly.

## **17 Composite companies.**

- (1) This section applies to the companies (in this Act referred to as "composite companies") who are specified in Part II of the Second Schedule to this Act, being companies who, by virtue of any enactment, supply gas, or gas and water, as well as electricity:

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Provided that this section shall not apply to any such company who serve on the Minister, not later than two months after the passing of this Act, a notice stating that they do not wish this section to apply to them, and references in this Act, except in the said Schedule, to composite companies shall not be construed as referring to any company who have served such a notice.

- (2) The provisions of section fourteen of this Act shall, in the case of composite companies, only apply to property held or used by the company wholly or mainly in their capacity as authorised undertakers, and to rights, liabilities and obligations acquired or incurred by the company in the said capacity, and accordingly references in that section to the property, rights, liabilities and obligations of a body to whom Part II of this Act applies, or to any agreement to which any such body was a party, or to documents referring to any such body, or to legal proceedings or applications by or against any such body shall be construed as references to property held or used by the company wholly or mainly in their capacity as authorised undertakers, and rights, liabilities and obligations acquired or incurred by the company in the said capacity or, as the case may be, to agreements, documents, legal proceedings or applications of or relating to the company in their capacity as authorised undertakers, and subsection (1) of the said section shall not apply to any composite company.
- (3) Any question arising under this section as to whether any property is or was held or used by a composite company wholly or mainly in their capacity as authorised undertakers or whether any rights, liabilities or obligations were acquired or incurred by any such company in the said capacity or whether any agreements or documents relate to any such company in the said capacity shall, in default of agreement, be determined by arbitration under this Act, and the arbitration tribunal shall have regard to whether or not entries relating to any property, rights or liabilities were or ought to have been included in the accounts furnished by the company to the Electricity Commissioners under section nine of the Electric Lighting Act, 1882.
- (4) Subsections (2) and (4) of section fifteen of this Act shall apply to a composite company in like manner as they apply to a local authority, subject to the modification that for references to the Minister of Health there shall be substituted references to the Minister, and any question whether any property is or was (for the purposes of the said subsection (2) as so applied) held or used partly in the said capacity and partly in other capacities shall, in default of agreement, be determined by arbitration under this Act, and the last foregoing section shall also apply to a composite company in like manner as it applies to a local authority.
- (5) No part of the cash and investments of a composite company shall vest in an Electricity Board under section fourteen of this Act, and the last two foregoing subsections shall accordingly not apply thereto, but regulations shall, subject to the provisions of this Part of this Act with respect to the final payment of dividends and interest, provide for the apportionment, as between the Board and the company, of the whole of the cash and investments of the company, together with any income accruing thereon pending such apportionment, in such shares as may be agreed between them or, in default of such agreement, determined in accordance with the regulations.

Any references in the following provisions of this Act to property which vests by virtue of this Act shall include a reference to property apportioned to an Electricity Board under this subsection.

- (6) Regulations may make provision for the apportionment of, and the making of financial adjustments with respect to, any liabilities incurred by a composite company partly

in their capacity as authorised undertakers and partly in other capacities, and for any necessary variation of mortgages and incumbrances relating to such liabilities.

- (7) Where any property of a composite company which vests by virtue of this Act in an Electricity Board is subject to any mortgage or other incumbrance created for the purpose of securing a debt which does not so vest in the Board and is not apportioned as between the Board and the company, the property shall vest free of that mortgage or incumbrance.
- (8) The Electricity Board in whom any property, rights, liabilities or obligations of any composite company vest by virtue of this Act shall make available to the company such facilities for the examination of and the making of extracts from or copies of books, accounts and documents relating to the electricity undertaking of the company as the company may reasonably require for the purposes of this Act and for other purposes arising out of the carrying on of the company's business, and such services of officers of the Board as they may reasonably require to enable them to make use of those facilities.
- (9) References in the following provisions of this Act, except section twenty-six thereof, to bodies to whom this Part of this Act applies (not being references which expressly exclude composite companies) shall be construed, in relation to a composite company, as referring to that company in their capacity as authorised undertakers.

## **18 Disclaimer of agreements and leases.**

- (1) Where any Electricity Board in whom are vested the rights, liabilities and obligations of any body to whom this Part of this Act applies, being rights, liabilities and obligations under an agreement made or varied on or after the nineteenth day of November, nineteen hundred and forty-five, are of opinion that the making or the variation of that agreement was not reasonably necessary for the purposes of the activities of the said body or that the agreement was made or varied with an unreasonable lack of prudence on the part of the said body, the Board may, by notice in writing given to the other parties to the agreement before the expiration of three months from the vesting date, disclaim the agreement:

Provided that any of the said parties may, within the prescribed period from the date on which the notice is served, refer to arbitration under this Act the question whether or not the agreement or variation thereof was reasonably necessary as aforesaid, or was made or varied with unreasonable lack of prudence, and, on such arbitration, the arbitration tribunal shall either confirm or revoke the notice.

- (2) Where a notice is so given by an Electricity Board with respect to any agreement and is not revoked by the arbitration tribunal—
  - (a) subsection (5) of section fourteen of this Act shall be deemed never to have applied to the agreement;
  - (b) the agreement shall be deemed to have been frustrated on the vesting date and the parties thereto for that reason to have been discharged from the further performance thereof; and
  - (c) the like consequences shall follow as between the Board and any party to the agreement who, before the date on which the notice of disclaimer becomes final, has in pursuance of the agreement, supplied goods or rendered services to the Board which the Board have accepted, or to whom, before the said date, the Board have, in pursuance of the agreement, supplied goods or rendered services which he has accepted, as would have followed if those goods or

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services had been supplied or rendered at the request of the Board or of that party, as the case may be, apart from the agreement, and any payments by or to the Board before the said date shall be adjusted accordingly.

For the purposes of this subsection, a person who permits another to use or enjoy any property or rights shall be deemed to render a service to him.

- (3) Subsection (1) of this section, but not subsection (2), shall apply to leases, and where a notice of disclaimer is given by the Board under subsection (1) with respect to any lease and is not revoked by the arbitration tribunal, the lease shall be deemed to be surrendered on the date on which the notice of disclaimer becomes final.
- (4) Where any lease is disclaimed under this section, the arbitration tribunal may, on the application of the Electricity Board who gave the notice or the other party to the lease, make such modifications (if any) of the provisions of the lease relating to repairing obligations or any other provisions taking effect on or within a limited time before the determination of the lease as they think just.
- (5) Where any agreement (other than a lease) is disclaimed under this section, then, for the purposes of the Law Reform (Frustrated Contracts) Act, 1943, the Electricity Board in whom any rights, liabilities or obligations under the agreement are or would (but for the frustration) be vested shall be deemed to have been a party to the agreement in lieu of the body from whom those rights, liabilities or obligations were or would have been transferred.
- (6) For the purposes of this section, a notice of disclaimer which is not revoked shall be deemed to become final on the following date, that is to say,—
  - (a) if no reference to arbitration is made under subsection (1) of this section, the date on which the period for making such a reference expires;
  - (b) in any other case, the date on which the notice is confirmed by the arbitration tribunal.
- (7) This section shall not apply to any agreement or lease made or varied with the previous consent of the Electricity Commissioners given for the purpose of any enactment other than this section nor shall it apply to any agreement or lease the making or variation of which has been approved in writing by the Minister, either generally or specially, and whether before or after the date of the making or variation of the agreement or lease.

## **19 Subsequent transfer of property from one Electricity Board to another.**

- (1) The Minister may, whether on the application of any of the Electricity Boards concerned or without any such application, provide by order—
  - (a) for the transfer to any Electricity Board of any property, rights, liabilities and obligations vested by virtue of this Act in another such Board;
  - (b) for the modification of agreements so far as necessary for giving effect to the transfer of rights, liabilities and obligations thereunder from one such Board to another and, in a case where part only of the rights, liabilities and obligations under any agreement are transferred, for substituting for the agreement separate agreements in the requisite terms, and for any apportionments and indemnities consequent thereon;
  - (c) for the purpose of transferring part of the land comprised in any lease vested in any such Board to another such Board, for the severance of that lease, and for apportionments and indemnities consequent thereon;

- (d) for such other financial adjustments between the Boards concerned as may be required in consequence of any such order, and for any other matters supplementary to or consequential on the matters aforesaid for which provision appears to the Minister to be necessary or expedient:

Provided that the Minister shall consult the Central Authority before making any such order.

- (2) An order made under this section which affects the North of Scotland Board shall be made by the Minister and the Secretary of State jointly, and they shall consult that Board before making any such order.

*Compensation to Holders of Securities.*

**20 Compensation to holders of securities of bodies other than local authorities.**

- (1) Every holder of securities of any body to whom' this Part of this Act applies, not being securities of a local authority or a composite company, shall be entitled to be compensated by the issue to him by the Central Authority, in accordance with the provisions of the Third Schedule to this Act, of British Electricity Stock of such amount as in the opinion of the Treasury is at the vesting date of a value equal to the value of the said securities held by him, regard being had (in estimating the value of the stock so issued) to the market value of government securities at the vesting date:

Provided that—

- (a) if the whole of the beneficial interest in any such securities was, immediately before the vesting date, vested in any body to whom this Part of this Act applies, no compensation shall be payable in respect of those securities and the securities shall be extinguished on the vesting date;
  - (b) if the holder of any such securities was such a body, but the whole of the beneficial interest was not so vested, the stock issued as aforesaid in respect of those securities shall be held by the Central Authority, and the said Schedule shall have effect as if the Authority were the holder of those securities; and
  - (c) any stock issued as aforesaid in respect of securities guaranteed by the Treasury shall be of the same nominal amount, shall carry interest at the same rates and payable at the same dates, and shall if redeemable be redeemed in the same manner and at the same times and by payment of the same amounts, as in the case of the securities.
- (2) For the purposes of this section, the value of any securities of any such body which were quoted in the Stock Exchange Official Daily List on all six of the following dates, that is to say, the first, fourth, fifth, sixth, seventh and eighth days of November, nineteen hundred and forty-six, shall, subject as hereinafter provided, be deemed to be the average of the mean of the quotations therefor appearing in the said list on those dates, such addition, if any, being made to that average as is necessary to make it a complete multiple of one penny:

Provided that where—

- (a) quotations for the securities appeared in the said list on any of the following dates hereinafter referred to as " the alternative dates ", that is to say, the fifteenth day of February, the fifteenth day of March, the sixteenth day of April, the fifteenth day of May, the fifteenth day of June, and the sixteenth day of July, nineteen hundred and forty-five; and

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- (b) the average mentioned in the foregoing provisions of this subsection is less than the average of the mean of the quotations for the securities appearing in the said list on all the alternative dates on which a quotation therefor so appeared;
- the value of the securities for the purposes of this section shall be deemed to be the average of the mean of the quotations therefor appearing in the said list on the alternative dates.
- (3) Where, in the case of any class of securities to which the last foregoing subsection applies, there has been at any time after the eighth day of November, nineteen hundred and forty-six, a fresh issue of securities of that class, the value of every security of that class for the purposes of this section shall, instead of being determined under the last foregoing subsection, be deemed to be the average of the values of all the securities of that class calculated on the basis that—
- (a) the value of each of the securities comprised in that issue is the price at which it was issued, and
- (b) the value of the remaining securities is the value which those securities had for the purposes of this section immediately before the issue took place.
- (4) Where, at any time after the eighth day of November, nineteen hundred and forty-six, any securities to which subsection (2) or subsection (3) of this section applies have been converted into securities of a different nominal value—
- (a) the value of those securities as so converted shall, for the purposes of this section, be deemed to be a value bearing to the value which the securities had for the purposes of this section immediately before the conversion took place the same proportion as the nominal value of the securities as converted bears to the nominal value of the securities immediately before the conversion took place; and
- (b) the last foregoing subsection shall apply to securities which have been converted as aforesaid, but if a part only of a class of securities has been converted as aforesaid, the converted securities shall, for the purposes of the last foregoing subsection, be treated as securities of a different class from that of the unconverted securities.
- (5) Where a new class of securities has been issued at any time after the first day of November, nineteen hundred and forty-six, the value of securities of that class for the purposes of this section shall be deemed to be the price at which they were issued, and the last two foregoing subsections shall apply to any fresh issue or conversion of securities of that class.
- (6) If any question arises under any of the last four foregoing subsections as to the value of any securities, it shall be settled by agreement between the Minister and the stockholders' representative appointed under the next following section or, in default of such agreement, determined by arbitration under this Act.
- (7) For the purposes of this section, the value of any securities of any such body, not being securities to which subsection (2), (3), (4) or (5) of this section applies, shall be such value as may be agreed between the Minister and the said stockholders' representative or, in default of such agreement, as may be determined by arbitration under this Act, and the arbitration tribunal, in determining the value of those securities, shall have regard, as far as may be, to the value of securities to which subsection (2) of this section applies (as determined under that subsection), being securities which, as respects all matters affecting their value, are most nearly comparable to the first named securities,



and if, in relation to any class of securities to which this subsection applies, such a fresh issue or conversion of securities as is mentioned in subsection (3) or subsection (4) of this section has occurred, the arbitration tribunal shall also have regard, as far as may be, to the manner in which the value of securities is to be determined in cases to which the said subsection (3) or subsection (4) applies.

(8) In this section—

the expression " the Stock Exchange Official Daily List " means the publication known as the Stock Exchange Daily List of Officially Quoted Securities which is published by and under the authority of the Council of the Stock Exchange, London;

the expression " quotation " has the same meaning as in the said list and, accordingly, does not include the statements of the business that was done;

the expression " the mean of quotations " means the average of the two figures shown in the list on the date in question in respect of the security in question under the heading " Quotations ".

(9) For the purposes of this section and the following provisions of this Part of this Act, the securities of a body to which the same rights attach shall be deemed to constitute a class of securities.

## **21 Appointment of stockholders' representative.**

(1) In the case of any body to whom this Part of this Act applies, being a body in respect of whose securities compensation is payable under the last foregoing section, there shall be appointed, before such date not later than the vesting date as may be prescribed, an individual, in this Act referred to as the stockholders' representative ", to represent the interests of all holders of securities of that body in connection with the determination of the amount of compensation payable in respect of those securities, any payment made after the vesting date of interest or dividend in respect of those securities, and any other matters arising under this Part of this Act affecting the interests of the holders of those securities, and it shall be the duty of the stockholders' representative, in carrying out his functions under this Part of this Act, to represent the interests of the holders of those securities.

(2) The stockholders' representative shall be appointed, in the prescribed manner, by the holders of the securities of the body in question:

Provided that—

- (a) if those holders of securities fail to appoint a stockholders' representative before the prescribed date, the Minister shall appoint such a representative;
- (b) in the case of securities issued by the Central Electricity Board, any joint electricity authority, or any joint board of local authorities, the stockholders' representative shall be appointed by the Minister.

(3) The Minister shall pay out of moneys provided by Parliament to a stockholders' representative such remuneration (whether by way of salary or fees) and such allowances, and such expenses incurred by him in the exercise of his functions, as may be determined by the Minister with the approval of the Treasury, and any sums paid by the Minister under this subsection shall be repaid to him by the Central Authority on demand:

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Provided that, in the case of a body whose property, rights, liabilities and obligations vest by virtue of this Act in the North of Scotland Board, the said sums shall be repaid to the Minister by the North of Scotland Board.

- (4) Regulations shall make provision—
- (a) as to the mode of appointment of a stockholders' representative and the notices to be given thereof;
  - (b) as to tenure and vacation of office by a stockholders' representative and the appointment, where the office falls vacant, of a new stockholders' representative;
  - (c) for any other matters relating to the office of stockholders' representative for which provision appears to the Minister to be necessary or expedient, including the exercise of functions through agents.

The regulations made with respect to the matters mentioned in paragraphs (a) and (b) hereof shall be made not less than two months before the date prescribed for the purposes of subsection (1) of this section, but without prejudice to the varying of any such regulations to such extent as may subsequently appear to the Minister to be necessary.

- (5) The Electricity Board in whom any property, rights, liabilities or obligations of any body vest by virtue of this Act, and any person to whom any such property, rights, liabilities or obligations which have so vested have been subsequently disposed of, shall make available to the stockholders' representative such facilities for the examination of and the making of extracts from or copies of books, accounts and documents of the body as he may reasonably require for the purposes of his duties, and such services of persons who were officers of the body and are in the employment of the Board or of the said person as the stockholders' representative, may reasonably require for those purposes.

#### *Compensation to Local Authorities.*

## **22 Compensation to local authorities.**

- (1) The Central Authority shall, by way of compensation for the vesting in them or in any other Electricity Board of property and rights of any local authority, and in lieu of any other compensation in respect of that vesting, make payments to the authority in accordance with this and the two next following sections.
- (2) Where the local authority have raised a loan wholly or partly for the purposes of their functions as authorised undertakers or have advanced money for those purposes out of any consolidated loans fund or mortgage loans pool established by them or out of any other moneys held by them, and, in pursuance of the arrangements in force immediately before the vesting date for the redemption of the loan and the payment of interest thereon or, as the case may be, for the repayment of the advance and the payment of interest thereon, any amounts would, but for this Act, have fallen, on or after the vesting date, to be debited in the accounts of the local authority in their capacity as authorised undertakers, the Central Authority shall, subject to the provisions of this section, pay those amounts to the local authority at the times at which, but for this Act, those amounts would have fallen to be debited in the accounts of the local authority in their capacity aforesaid."

- (3) Where the local authority have before the vesting date made arrangements for the making of financial adjustments, as between the accounts of the local authority in their capacity as authorised undertakers and any other account of the local authority, in respect of any other transaction or matter affecting both their functions as authorised undertakers and other functions of the authority, and in pursuance of those arrangements any amounts would, but for this Act, have fallen, on or after the vesting date, to be debited or credited in the accounts of the local authority in their capacity as authorised undertakers and credited, or, as the case may be, debited, in some other account of the local authority, the Central Authority shall, subject to the provisions of this section, pay those amounts to the local authority or be entitled to receive those amounts from the authority, as the case may be, at the times at which, but for this Act, those amounts would have fallen to be debited or credited in the accounts of the local authority in their capacity aforesaid:

Provided that this subsection shall not apply in relation to any apportionment of establishment charges between the accounts of the local authority in their capacity aforesaid and other accounts of the authority.

- (4) The Central Authority and the local authority may agree or the Minister of Health may, on the application of either party in default of such agreement, determine that, having regard to the circumstances in which any such arrangements were made and the circumstances arising under this Act, the last foregoing subsection shall not apply to those arrangements or shall apply thereto with such modifications as to the payments to be made by the Central Authority or the local authority as may be so agreed or determined, and the said subsection shall have effect subject to any such agreement or determination.

Any other question arising under either of the two last foregoing subsections as to the payments to be made thereunder shall, in default of agreement, be determined by the Minister of Health.

- (5) Any payment made by the Central Authority or the local authority under the foregoing provisions of this section which would, but for this Act, have been debited or credited as a capital payment, or any payment made in respect of the liability for the redemption of a loan or the repayment of an advance, shall be deemed to be a capital payment, and any other such payment shall be deemed to be an annual payment.

## **23 Further compensation to local authorities in respect of severance.**

There shall be paid by the Central Authority to local authorities, by way of compensation in respect of the severance of their electricity undertakings from their other activities, the sum of five million pounds, and the said sum shall be divided among such of the said local authorities as satisfy the prescribed conditions, and the amounts to be paid to the individual authorities shall be determined in such manner and in accordance with such principles as may be prescribed.

## **24 Further compensation to local authorities in respect of capital works.**

Where the Minister is satisfied, on the application of a local authority to whom this Part of this Act applies, that the authority incurred at any time after the nineteenth day of November, nineteen hundred and forty-five, in respect of works approved by the Electricity Commissioners expenditure properly chargeable to capital account, being expenditure incurred with the consent of the Electricity Commissioners (if such

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consent was required) and not defrayed out of moneys borrowed or advanced for the purposes of the electricity undertaking or out of the revenue or reserves of the electricity undertaking, the Minister may direct the payment by the Central Authority to the local authority of such sums by way of compensation, not exceeding the amount of the expenditure aforesaid, as may be determined by him :

Provided that no payment shall be directed to be made under this section in respect of any expenditure in respect of which the Central Authority are liable to make payments under subsection (3) of the last but one foregoing section.

*Compensation to composite companies.*

**25 Compensation to composite companies.**

- (1) Every composite company shall be entitled to be paid by the Central Authority, by way of compensation for the vesting in that Authority or in any other Electricity Board of property and rights of the company, and in lieu of any other compensation in respect of that vesting, an amount calculated as follows:—
  - (a) the aggregate value of all the securities of the company shall be ascertained in accordance with subsections (2) to (9) of section twenty of this Act, subject to the modification that for the references in subsections (6) and (7) to the stockholders' representative there shall be substituted references to the company;
  - (b) there shall be ascertained the proportion which the average net revenue earned by the electricity undertaking in respect of the last three complete financial years before the tenth day of January, nineteen hundred and forty-seven, bears to the average net revenue earned in respect of those years by the company's undertaking as a whole;
  - (c) the amount of the compensation shall be the aggregate of the following amounts—
    - (i) an amount bearing to the aggregate value of the said securities the same proportion as the said average net revenue of the electricity undertaking bears to the said average net revenue of the company's undertaking as a whole,
    - (ii) an amount, by way of compensation in respect of the severance of the electricity undertaking from the remainder of the company's undertaking, consisting of a sum of five shillings for each complete one thousand of the units of electricity which, in accordance with the figures accepted by the Electricity Commissioners for the purposes of section seven of the Electricity (Supply) Act, 1922, were sold (within the meaning of that section) by the company during the year nineteen hundred and forty-six.
- (2) Any question arising under paragraph (b) of the last foregoing subsection shall, in default of agreement between the company and the Minister, be determined by arbitration under this Act.
- (3) The right of a composite company to compensation under this section shall be satisfied by the issue to the company of British Electricity Stock of such amount as in the opinion of the Treasury is at the vesting date of a value equal to the amount calculated under subsection (1) of this section, regard being had (in estimating the value of the stock so issued) to the market value of government securities at the vesting date.

- (4) If, in the case of any composite company, the amount of compensation payable to the company under this section has been determined before the vesting date, the British Electricity Stock to be issued in respect thereof shall be issued on that date, and in any other case the British Electricity Stock shall be issued as soon as the amount of that compensation has been determined.
- (5) Interest on any stock so issued after the vesting date shall begin to accrue as from the vesting date, and the Central Authority shall, on such dates as the Minister may direct, make to the company payments of interest not exceeding the amount which, in the opinion of the Central Authority, will be found to have accrued on the British Electricity Stock ultimately issued in satisfaction of the compensation.

If the amounts paid to any company by the Central Authority under this subsection are equal to or greater than the amount of interest which is found to have accrued on the said stock for the period beginning with the vesting date and ending immediately before the date of the issue of the stock, the interest so found to have accrued shall be treated as discharged, and if the amount paid as aforesaid is less than the amount found to have accrued as aforesaid, the amount so found to have accrued shall be treated as discharged to the extent of the amount so paid, and the balance shall be added to and treated as part of the interest (being interest accruing on and after the issue of the stock) which first falls to be paid after the issue of that stock.

- (6) Regulations may make provision—
  - (a) for entitling the holder of any debentures, debenture stock, preference shares or preference stock of a composite company, by notice given within the prescribed period, to require the company to transfer to him such amount the British Electricity Stock issued to the company under this section as is attributable to the value of the said securities held by him, and for the cancellation of those securities to a proportionate extent; and
  - (b) otherwise for the protection of mortgagees and incumbrancers of a composite company.

*Control of Dividends and Interest and Safeguarding of Assets pending transfer.*

## **26 Control of dividends, interest and other payments.**

- (1) Where any body to whom this Part of this Act applies, being a company, have paid pursuant to a resolution passed after the tenth day of January, nineteen hundred and forty-seven, interest or a dividend on any of their securities in respect of the last complete financial year before the said day or any subsequent period, being payments which, regard being had to any interest or interim dividend paid before the said day in respect of that year or period, are in excess of the payments of interest or dividend permitted under this section, all persons who were directors of the body at the time when the resolution of the directors' was passed authorising or recommending the payments shall, subject to the provisions of this section, be liable to pay to the Central Authority an amount equal to the total amount of the excess.
- (2) The payments of interest or dividend permitted under this section are as follows:—
  - (a) in the case of securities in respect of which rates of interest are fixed, payments at those rates;

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- (b) in the case of securities in respect of which rates of preferential dividend are fixed but which give no other rights to participate in the profits of the body, payments at those rates; or
- (c) in the case of any other class of securities, payments of dividend at a rate not exceeding four per cent. per annum or the annual rate paid on that class of securities in respect of the last complete financial year in respect of which a final dividend was paid before the said tenth day of January-, nineteen hundred and forty-seven, whichever is the higher;

Provided that:

- (i) such payments shall only be made out of the net revenue of the body for the period in respect of which the payment is made, or out of any funds applicable in accordance with the normal practice for the purpose of maintaining interest payments and equalising rates of dividend, and any payment shall, so far as it is made otherwise than out of that revenue, or out of those funds, not be permitted under this section; and
  - (ii) where a fresh issue has been made after the said date of securities of a class mentioned in paragraph (c) hereof, being a class on which the annual rate of dividend paid in respect of the said last complete financial year exceeded four per cent. per annum, the payments of dividend permitted under this section on the securities so issued shall not, except with the approval of the Minister, exceed a rate of four per cent. per annum.
- (3) Where any such body as aforesaid have, without the approval of the Minister, paid after the tenth day of January, nineteen hundred and forty-seven, a dividend in respect of any period prior to the last complete financial year before the said day, all persons who were directors of the body at the time when the resolution of the directors was passed authorising or recommending the payments shall, subject to the provisions of this section, be liable to pay to the Central Authority an amount equal to the total amounts of the payments:

Provided that this subsection shall not apply to payments of dividend on cumulative preference shares or stock, being payments which are required to be made in priority to the payment of any dividend on ordinary capital and are made out of the 'net revenue of the body for the said last complete financial year or any subsequent period.

- (4) Where, at any time after the tenth day of January, nineteen hundred and forty-seven, any such body as aforesaid have, without the approval of the Minister,—
- (a) made any payments to their members for the purpose of reducing the share capital of the body otherwise than by redemption, off any redeemable preference shares;
  - (b) made any other payments to their members out of capital moneys; or
  - (c) distributed assets other than money to their members;

all persons who were directors of the body at the time when the resolution of the directors was passed authorising or recommending the payments or distribution shall, subject to the provisions of this section, be liable to pay to the Central Authority an amount equal to the total amount of the payments or, as the case may be, the total value of the assets distributed:

Provided that this subsection shall not apply to any such payment or distribution to any such member otherwise than in his- capacity as a member.

- (5) Where, at any time after the said day, any such body as aforesaid have redeemed any securities which the body were not under an obligation to redeem before the vesting date, or made payments in respect of the redemption of any securities which exceed the minimum payments required to satisfy the rights existing on the said day of the holders of the securities, all persons who were directors of the body at the time when the resolution of the directors authorising or recommending the redemption or the payments in respect thereof was passed shall, subject to the provisions of this section, be liable to pay to the Central Authority—
- (a) in the case of securities which the body were not obliged to redeem, the amount (if any) by which the sums paid in respect of the redemption of those securities exceed the compensation which would have been payable under this Part of this Act (but for the redemption) to the holders of those securities; or
  - (b) in the case of securities which the body were obliged to redeem but for which the payments made exceeded the said minimum payments, an amount equal to the total amount of the excess.
- (6) For the purposes of this section—
- (a) any payment by a body to its members in their capacity as members out of the net revenue of the body shall be deemed to be a payment of dividend; and
  - (b) any transaction the effect of which is that assets of a body are transferred to any person otherwise than in the capacity of a member of the body, and the consideration for such transfer is given to the members of the body or any class thereof, shall be deemed to be a distribution of those assets to the members of the body or that class thereof.
- (7) Any claim under this section by the Central Authority against the directors of any such body as aforesaid shall be made before the expiration of a period of twelve months beginning with the vesting date, and if so made, shall be determined by arbitration under this Act, and, if the arbitration tribunal decides the claim in favour of the Central Authority, it shall make such orders against all or any of the said directors in respect of their liability on the claim as it thinks just, having regard to all the circumstances.
- (8) References in this section to any payments of interest or dividend made or permitted to be made, by any body shall be construed as references to the gross amounts of those payments, that is to say, to the amounts thereof before any deduction is made therefrom in respect of income tax, and, if any such payment has been made by a body without deduction of income tax, the amount paid shall be deemed for the purposes of this section to be a net amount paid after deduction of income tax, and the gross amount of that payment for the purposes of this section shall be calculated accordingly:
- Provided that, in determining the amount recoverable under this section from the directors of any body in respect of payments of interest or dividend made by that body, there shall be deducted from the amount which would, but for this proviso, be so recoverable a sum equal to the income tax chargeable on that amount at the standard rate for the year in which the payments became due.
- (9) This section shall, in relation to any body whose property, rights, liabilities and obligations vest by virtue of this Act in the North of Scotland Board, have effect with the substitution for references to the Central Authority of references to the North of Scotland Board.
- (10) This section shall, in relation to any composite company, have effect subject to the following modifications:—

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- (a) subsections (1), (3), (4) and (5) shall only apply to payments and distributions made, and redemptions carried out, before the vesting date;
- (b) any liabilities arising under this section shall be liabilities of the company and not of the directors; and
- (c) any such liability shall be reduced by applying thereto the proportion ascertained under paragraph (b) of subsection (1) of section twenty-five of this Act.

## **27 Final payment of dividends and interest.**

- (1) As soon as possible after the vesting date, there shall, in the case of any body to whom this Part of this Act applies other than a local authority or a composite company, be ascertained and certified by an auditor appointed by the Minister after consultation with the Central Authority and the stockholders' representative—
- (a) the net revenue of the body for the final financial period;
  - (b) the total gross amounts paid by the body by way of interest or interim dividend on any securities in respect of the final financial period; and
  - (c) the amount (if any) by which the said net revenue exceeds the said total amounts;
- and the Central Authority shall pay to the stockholders' representative the amount referred to in paragraph (c) hereof. In appointing an auditor under this subsection in the case of any body, the Minister shall first offer the appointment to one of the auditors who signed the last balance sheet of the body or examined that balance sheet on behalf of the Electricity Commissioners, and there shall be paid to the auditor out of moneys provided by Parliament such remuneration (whether by way of salary or fees) and such allowances as the Minister may, with the approval of the Treasury, determine, and the amount of the remuneration and allowances shall be repaid to the Minister by the Central Authority on demand.
- (2) The Central Authority, if they think fit, may, before the auditor's certificate is given, make payments to the stockholders' representative on account.
- (3) The stockholders' representative shall apply the sums paid to him under the foregoing provisions of this section (so far as they will go) for the following purposes and in the following order of priority:—
- (a) in making interest payments on any debentures or debenture stock of the body, which have accrued up to the vesting date and have not been paid, at the rates permitted under the last foregoing section;
  - (b) in making such a distribution as is mentioned in the next following subsection to the holders of other securities, if any, of the body; and
  - (c) in repaying the balance, if any, to the Central Authority.
- (4) The distribution falling to be made under paragraph (b) of the last foregoing subsection shall be a distribution under which the holders of the securities there referred to become entitled to the same gross amounts as they would have become entitled to if—
- (a) the statutory or other provisions relating to the body had permitted payments of interest or dividend in respect of the final financial period;
  - (b) the body had had available for distribution the sums paid to the stockholders' representative under this section less the amount applied in making the payments mentioned in paragraph (a) of the last foregoing subsection; and



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- (c) the body had applied the amount so available for distribution, or so much thereof as was required for the purpose, in making payments of interest or dividend for the final financial period, at the rates permitted under the last foregoing section, to the holders of the securities in question, in the proper order of priority, and according to their respective rights, due regard being had to any interest or interim dividend already paid in respect of the final financial period and all necessary adjustments being made where the said period is not a period for which interest or dividend would be payable under the statutory or other provisions relating to those securities:

Provided that the amounts to which the holders would have become entitled by way of interest or dividend for the final financial period in the event contemplated by paragraph (c) of this subsection shall be computed as if the amounts deducted in respect of income tax from the payments mentioned in paragraph (a) of the last foregoing subsection and from any payments made under paragraph (b) of that subsection in respect of any securities were not available for paying any other interest or dividend.

- (5) Where the sums paid to the stockholders' representative under the foregoing provisions of this section are insufficient to enable him—
  - (a) to make the interest payments referred to in paragraph (a) of subsection (3) of this section at the maximum rates permitted under the last foregoing section; and
  - (b) to distribute to the holders of the securities referred to in paragraph (b) of that subsection gross amounts equal to payments of interest or dividend on those securities at the maximum rates so permitted;

and the body possessed immediately before the vesting date funds applicable in accordance with the normal practice for the purpose of maintaining payments of interest and equalising rates of dividend, the Central Authority shall pay to the stockholders' representative an additional amount equal to the total amount of the said funds so possessed or to the total amount of the said deficiency, whichever is the less, and the stockholders' representative shall apply that amount in like manner as the other sums paid to him under this section.

- (6) The persons who receive any payment made by a stockholders' representative under the foregoing provisions of this section, shall, subject to the provisions of the next following subsection, hold the payment in the same right and on the same trusts and subject to the same powers, privileges, charges and liabilities as those in, on, or subject to which, any payment of interest or dividend in respect of the securities in question would have been held by them.
- (7) Where any body to whom this Part of this Act applies were the holder of, or had any interest in, any securities of another such body the Central Authority shall have the like right to receive and hold, or benefit from, a payment under paragraph (a) or paragraph (b) of subsection (3) of this section as they would have had if they had been the holder of, or had had that interest in, those securities:

Provided that, in the case of any such body other than a local authority, the gross amounts of any such payments or of the benefit therefrom shall be included in the net revenue of the body for the final financial period for the purposes of this section.

- (8) Where, before the vesting date, there became due from any body to whom this Part of this Act applies, other than a local authority, any payment by way of interest or dividend or any payment by way of a redemption of any security, and, by reason only

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that it was not possible to discover the person entitled thereto, or that the title to the payment had not been established, or that a cheque or warrant issued for the purpose of effecting the payment had not been encashed, that payment was not made before the vesting date, the liability in respect of that payment shall pass to the Central Authority.

- (9) Where the stockholders' representative is for any reason unable to effect payment of any sum falling to be paid by him under this section, or where a receipt cannot effectively be given for any such sum, the stockholders' representative may pay that sum to the Central Authority and, on the said sum being so paid to the Authority, the liability of the stockholders' representative for the payment of that sum shall pass to the Central Authority.
- (10) This section shall, in relation to any body whose property, rights, liabilities and obligations vest by virtue of this Act in the North of Scotland Board, have effect with the substitution for references to the Central Authority of references to the North of Scotland Board and for the references to the Minister of references to the Secretary of State.
- (11) The following provisions shall have effect in the case of a composite company, that is to say:—
- (a) there shall be ascertained and certified as soon as possible after the vesting date by an auditor appointed by the Minister the net revenue of the company for the final financial period;
  - (b) there shall be ascertained and certified by the said auditor as soon as possible after the vesting date the amount required to enable the company to make payments of interest or dividend in respect of the final financial period on all their securities at the full rates permitted under the last foregoing section, assuming that the statutory or other provisions relating to the company permitted payments of interest or dividend in respect of that period and due regard being had to any interest or interim dividend already paid in respect of that period; and
  - (c) the said net revenue shall not, except to the extent (if any) to which it exceeds the amount ascertained and certified under paragraph (b) hereof, be subject to apportionment as between the company and the Electricity Board concerned under the foregoing provisions of this Part of this Act relating to the apportionment of the cash and investments of composite companies.

The provisions of subsection (1) of this section relating to the appointment of an auditor, except the requirement as to consultation with the stockholders' representative, shall apply to an auditor appointed under this subsection and there shall be paid to the auditor by the Central Authority such remuneration (whether by way of salary or fees) and such allowances as the Minister may with the approval of the Treasury determine.

- (12) In this section the expression " final financial period " means such part of the financial year during which the vesting date occurs as precedes that date:

Provided that, where any body has not made the payments of interest or dividends permitted under section twenty-six of this Act in respect of the last complete financial year before the vesting date, the said expression means that year together with such part of the financial year during which the vesting date occurs as precedes the vesting date.

## **28 Income tax provisions.**

- (1) This section shall be construed as one with the Income Tax Acts.
- (2) The gross amounts of any payments made by a stockholders' representative under the last foregoing section shall be deemed to be income for all the purposes of the Income Tax Acts, and the stockholders' representative making the payments shall deduct income tax therefrom at the standard rate for the year in which the payments become due and any amounts so deducted shall, notwithstanding anything in the Income Tax Acts, be paid over to the Central Authority for their own use and benefit.
- (3) If—
  - (a) the payments of any interest of money, annuity or other annual payment charged with tax under Schedule D made by a body to whom this Part of this Act applies other than a local authority or a composite company in the year or years of assessment falling wholly or partly within the final financial period as defined by the last foregoing section; plus
  - (b) any payments made by the stockholders' representative to the holders of securities of the body under the last foregoing section being securities bearing interest;together exceed—
  - (i) the total income of the body for the said year or years; plus
  - (ii) the total of the assessments made for the said year or years under Rule 21 of the General Rules in respect of payments by the body,the said Rule 21 shall have effect as if a payment of a gross amount equal to the excess had been made by the Central Authority, as if that payment were a payment of interest of money charged with tax under Schedule D not payable out of profits or gains brought into charge to tax and as if the Central Authority had deducted tax at the appropriate rates in making that payment:

Provided that, in calculating whether there is such an excess as aforesaid or the extent thereof, any payment which has been reimbursed to the body by any person or is charged to capital shall be disregarded, but the said Rule 21 shall have the like effect in relation to the whole of any such payment as it has effect, or would have effect, under this subsection in relation to such an excess as aforesaid.

In this subsection, the expression " the appropriate rates " means the rates which were applied in making deductions of income tax from the payments referred to in paragraph (b) of this subsection, the lowest rate being taken first and applied to an amount of the excess equal to the amount to which it was applied as aforesaid, and then so with the next lowest rate, and so on.
- (4) Any reference in this section or in the last foregoing section to the gross amount of any payment shall be construed as a reference to the amount of that payment before any deduction is made therefrom in respect of income tax.
- (5) This section shall, in relation to any body whose property, rights, liabilities and obligations vest by virtue of this Act in the North of Scotland Board, have effect with the substitution for the reference to the Central Authority of a reference to the North of Scotland Board.

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*Status: This is the original version (as it was originally enacted).*

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## **29 Re-opening of transactions resulting in dissipation of assets.**

- (1) This section shall apply in any case where on or after the tenth day of January, nineteen hundred and forty-seven, any body to whom this Part of this Act applies, being a company, have—
- (a) made any payment to any person without consideration or for an inadequate consideration;
  - (b) sold or disposed of any of its property or rights without consideration or for an inadequate consideration;
  - (c) acquired any property or rights for an excessive consideration ;
  - (d) entered into or varied any agreement so as to require an excessive consideration to be paid or given by the body; or
  - (e) entered into any other transaction of such an onerous nature as to cause a loss to or impose a liability on the body substantially exceeding any benefit accruing to the body;

and the payment, sale, disposal, acquisition, agreement or variation thereof, or other transaction was not reasonably necessary for the purposes of the body or was made with an unreasonable lack of prudence on the part of the body:

Provided that this section shall not apply:

- (i) to any payment or other transaction to which section twenty-six of this Act applies;
  - (ii) to any payment or other transaction made or entered into for any charitable purpose;
  - (iii) to any payment or other transaction made or entered into in connection with, the determination of any question, dispute or matter falling to be determined under any provision of this Part of this Act or any regulations made thereunder; or
  - (iv) to any payment or other transaction to which the previous consent of the Electricity Commissioners was given for the purposes of any enactment other than this section, or which has been approved in writing by the Minister, either generally or specially, and whether before or after the date of the payment or other transaction.
- (2) The Central Authority may, at any time before the expiration of a period of twelve months beginning with the vesting date, make an application to the arbitration tribunal in respect of any transaction to which in the opinion of the Authority this section applies, and all parties to the transaction, and all persons who were directors of the body at the date when the transaction was entered into shall, unless the tribunal otherwise directs, be made parties to the application.
- (3) Where the arbitration tribunal is satisfied that the transaction in respect of which an application is made is a transaction to which this section applies, then, unless it is shown by any of the parties to the application that the transaction was in the ordinary course of business and was in no way connected with any provision made by this Act or with any anticipation of the making of any such provision, the tribunal shall determine the extent of the net loss or liability caused to or imposed on the body by the transaction, and shall make such orders against all or any of the parties to the application (other than the Central Authority) as it thinks just, having regard to the extent to which they were respectively responsible for the transaction or benefited from it, for the payment by them to the Central Authority of sums sufficient to enable

the net loss or liability, or such part thereof as the tribunal thinks just, to be made good or met.

- (4) Where any Electricity Board have disclaimed an agreement or lease by a notice under this Part of this Act, being an agreement or lease entered into or varied on or after the said tenth day of January, nineteen hundred and forty-seven, the Central Authority may make an application to the arbitration tribunal under this section in respect of any loss or liability caused to or imposed on the body before the vesting date and, in the case of a lease, any loss or liability caused to or imposed on the Board between the vesting date and the disclaimer of the lease, in consequence of the onerous nature of the agreement or lease.
- (5) Where any application is made to the arbitration tribunal under this section in respect of any transaction, or a reference is made to that tribunal with respect to any notice given under this Part of this Act disclaiming an agreement or lease, the tribunal shall have exclusive jurisdiction—
  - (a) to determine claims arising in respect of the transaction or under the lease or agreement; and
  - (b) if the notice disclaiming any such agreement is confirmed by the tribunal, to determine any claims arising with respect to the agreement under the Law Reform (Frustrated Contracts) Act, 1943.
- (6) This section shall, in relation to any body whose property, rights, liabilities and obligations vest by virtue of this Act in the North of Scotland Board, have effect with the substitution for the references to the Central Authority of references to the North of Scotland Board.
- (7) In the case of a composite company, the company, and not the directors, shall be made parties to applications under this section.

### **30 Provisions as to foreign investments.**

- (1) It shall not be lawful for any body to whom this Part of this Act applies other than a composite company to acquire any foreign investments.
- (2) Every such body shall, within such period as may be prescribed, supply to the Minister and the Central Authority particulars in the prescribed form of all foreign investments of the body, and shall dispose of those investments in such manner and within such period as may be prescribed.
- (3) If any such body contravene or fail to comply with the provisions of this section or any regulation made thereunder, all persons who were directors of the body at the time when the contravention or failure occurred shall, subject to the next following subsection, be liable to make good any loss suffered by the Central Authority in consequence of the contravention or failure.
- (4) Any claim under this section by the Central Authority against the directors of any such body shall be made before the expiration of a period of twelve months beginning with the vesting date and shall be determined by arbitration under this Act, and all persons who were directors of the body at the time when the alleged contravention or failure occurred shall, unless the arbitration tribunal otherwise directs, be made parties to the proceedings, and, if the arbitration tribunal decides the claim in favour of the Central Authority, it shall make such orders against all or any of the said directors in respect of their liability under this section as it thinks just, having regard to all the circumstances.

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- (5) In this section the expression " foreign investments " means any assets the transfer of which is governed otherwise than by the law of any part of Great Britain.
- (6) If it appears to the Minister to be necessary or expedient, for the purpose of securing the disposal of foreign investments of any body under this section, to postpone the vesting date in relation to that body, he may direct that the vesting date for the purposes of this Act shall, in relation to that body, be such date, later than the date which would otherwise be appointed or fixed, as may be specified in the direction.
- (7) This section shall, in relation to any body whose property, rights, liabilities and obligations vest by virtue of this Act in the North of Scotland Board, have effect with the substitution for the references to the Minister and the Central Authority of references to the Secretary of State and the North of Scotland Board respectively.

*Supplementary Provisions.*

**31 Establishment of Electricity Arbitration Tribunal.**

- (1) For the purpose of determining any question or dispute which under any provision of this Part of this Act or any regulations made thereunder is to be determined by arbitration under this Act, or any matter in respect of which jurisdiction is given to the arbitration tribunal under this Part of this Act, there shall be established a tribunal called the Electricity Arbitration Tribunal (in this Act referred to as " the arbitration tribunal ") and the arbitration tribunal shall subject to the provisions of this section, hear and determine every such question, dispute or matter as aforesaid.
- (2) The arbitration tribunal shall, as the Lord Chancellor may direct, either sit as a single tribunal or sit in two or more divisions, and shall, for the hearing of any proceedings, be constituted as follows:—
  - (a) one member shall be a person of legal experience and he shall be the president of the tribunal;
  - (b) there shall be two other members of whom one shall be a person of experience in business and the other shall be a person of experience in finance:

Provided that, in relation to any proceedings which, under the provisions of subsection (5) of this section, are required to be held in Scotland, the member who is a person of legal experience shall be a person of legal experience in Scotland.

- (3) The members of the tribunal shall be appointed by the Lord Chancellor, except that any member or members appointed as being a person or persons of legal experience in Scotland shall be appointed by the Lord President of the Court of Session, and any member appointed by the Lord President shall only act in relation to proceedings which are required as aforesaid to be held in Scotland.
- (4) The members of the arbitration tribunal shall hold office for such period as may be determined at the time of their respective appointments and shall be eligible for reappointment:

Provided that—

- (a) a member may at any time by not less than one month's notice in writing to the Lord Chancellor, or the Lord President of the Court of Session, as the case may be, resign his office ;

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- (b) the Lord Chancellor, or the Lord President of the Court of Session, as the case may be, may declare the office of any member vacant on the ground that he is unfit to continue in his office ;
  - (c) if any member becomes bankrupt or makes a composition with his creditors, his office shall thereupon become vacant.
- (5) Where any such question, dispute or matter as aforesaid arises out of or in connection with the vesting by virtue of this Act of the property, rights, liabilities and obligations of any body, or in connection with any transaction of any body, and the principal place of business of the body is in Scotland, the tribunal shall sit in Scotland.
- (6) If any member of the arbitration tribunal becomes, by reason of illness or other infirmity, temporarily incapable of performing the duties of his office, the Lord Chancellor, or the Lord President of the Court of Session, as the case may be, shall appoint some other, fit person to discharge his duties for any period not exceeding six months at one time, and the person so appointed shall, during that period, have the same powers as the person in whose place he was-appointed.
- (7) The arbitration tribunal may, at any stage in any proceedings before them, refer to a person or persons appointed by them for the purpose, any question arising in the proceedings, for inquiry and report, and the report of any such person or persons may be adopted wholly or partly by the tribunal and, if so adopted, may be incorporated in an order of the tribunal.

## **32 Procedure and enforcement of orders of arbitration tribunal.**

- (1) The arbitration tribunal shall be a court of record and have an official seal, which shall be judicially noticed, and any order of the tribunal shall be enforceable in England and Wales as if it were an order of the High Court.
- (2) The provisions of the Arbitration Acts, 1889 to 1934, with respect to—
- (a) the administration of oaths and the taking of affirmations; and
  - (b) the correction in awards of mistakes and errors; and
  - (c) the summoning, attendance and examination of witnesses and the production of documents; and
  - (d) the costs of the reference and award,
- shall, with any necessary modifications, apply in respect of any proceedings before the arbitration tribunal, but, save as aforesaid, the said Acts shall not apply to any such proceedings.
- (3) The arbitration tribunal may, and if so ordered by the Court of Appeal shall, state in the form of a special case for determination by the Court of Appeal any question of law which may arise before them, and an appeal shall lie to the Court of Appeal on any question of law or fact from any determination or order of the arbitration tribunal on a claim under section twenty-six of this Act against the directors of a body to whom Part II of this Act applies or on an application under section twenty-nine of this Act in respect of any transaction.
- (4) The Minister shall have a right to be heard in all proceedings before the arbitration tribunal and proceedings on a case stated by or an appeal from that tribunal.
- (5) Subject to the provisions of this section, the procedure in or in connection with any proceedings before the arbitration tribunal shall be such as may be determined by rules to be made by the tribunal with the approval of the Lord Chancellor.

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- (6) In relation to proceedings which, under the last foregoing section, are required to be held in Scotland, this section shall have effect subject to the following modifications—
- (a) for subsections (2) and (3) there shall be substituted the following subsections—
    - “(2) The arbitration tribunal shall have the like powers for securing the attendance of witnesses and the production of documents, and with regard to the examination of witnesses on oath and the awarding of expenses as if the arbitration tribunal were an arbiter under a submission.
    - (3) The arbitration, tribunal may, and if so directed by the Court of Session shall, state a case for the opinion of that Court on any question of law arising in the proceedings, and an appeal shall lie to the Court of Session on any question of law or fact from any determination or order of the arbitration tribunal on a claim under section twenty-six of this Act against the directors of a body to whom Part II of this Act applies or on an application under section twenty-nine of this Act in respect of any transaction.

An appeal shall lie, with the leave of the Court of Session or of the House of Lords, from any decision of the Court of Session under this subsection, and such leave may be given on such terms as to costs or otherwise as the Court of Session or the House of Lords may determine;”
  - (b) in subsection (6) for the reference to the Lord Chancellor there shall be substituted a reference to the Secretary of State.
- (7) The Secretary of State shall have a right to be heard in all proceedings before the arbitration tribunal and proceedings on a case stated by or an appeal from that tribunal, being proceedings to which the North of Scotland Board is a party.

### **33 Staff and expenses of arbitration tribunal.**

- (1) The arbitration tribunal may, subject to the consent of the Treasury as to numbers, appoint such officers as they consider necessary for assisting them in the proper execution of their duties.
- (2) There shall be paid to the members of the arbitration tribunal and to any such officer as aforesaid such remuneration (whether by way of salaries or fees) and such allowances as the Minister may, with the approval of the Treasury, determine.
- (3) There shall be paid to any person to whom proceedings are referred by the arbitration tribunal under the last but one foregoing section for hearing and determination such remuneration (whether by way of salaries or fees) and such allowances as the tribunal may, with the approval of the Treasury, determine.
- (4) Any such remuneration and allowances as aforesaid and any other expenses of the arbitration tribunal shall be defrayed in the first instance by the Minister out of moneys provided by Parliament, but the amounts from time to time so paid by the Minister shall be repaid on demand to the Minister by the Central Authority :

Provided that such proportion of the amounts so paid by the Minister in respect of proceedings to which the North of Scotland Board is a party as the Minister and



the Secretary of State may determine shall be repaid to the Minister by the North of Scotland Board.

### **34 Determination of questions as to application of Part II of this Act.**

- (1) The Minister shall, within the prescribed period, serve a notice on every body who in his opinion are a power station company or electricity holding company to whom this Part of this Act applies and, unless that body serves on the Minister, within such period (not being less than twenty-eight days) after the service of the notice as may be prescribed, a counter notice in the prescribed form (which is not withdrawn) stating that in their opinion this Part of this Act does not apply to them, this Part of this Act shall be deemed to apply to the body.
- (2) Where any body on whom the Minister has not served a notice under the last foregoing subsection within the period prescribed therefor, are of opinion that they are a power station company or electricity holding company to whom this Part of this Act applies, they may within such further period (not being less than twenty-eight days) as may be prescribed after the expiration of the period aforesaid, serve a notice on the Minister in the prescribed form, and unless the Minister serves on that body, within such period as may be prescribed, a counter notice in the prescribed form (which is not withdrawn) stating that in his opinion this Part of this Act does not apply to them, this Part of this Act shall be deemed to apply to the body.
- (3) Where, in the case of any body, other than authorised undertakers, no notice has been served by the Minister or the body under the foregoing provisions of this section within the periods prescribed therefor, this Part of this Act shall be deemed not to apply to the body.
- (4) Where a counter notice is served under the foregoing provisions of this section and is not withdrawn, the question whether this Part of this Act applies to the body by or on whom the counter notice was served shall be determined by arbitration under this Act.
- (5) Where a question has been referred to arbitration in accordance with the last foregoing subsection and the arbitration tribunal determine that this Part of this Act applies to the body, the tribunal may and, if the vesting date has already occurred, shall, fix a later date which, in relation to that body shall be, and be deemed always to have been, the vesting date for the purposes of this Act.

### **35 Power to obtain information.**

- (1) Regulations may require any body who is or may be a body to whom this Part of this Act applies to produce such books of account, records and documents, to supply copies of and extracts from such books, records and documents, and to furnish such other information as may reasonably be required—
  - (a) by the Minister or the Secretary of State for the purpose of ascertaining whether or not the body is one to whom this Part of this Act applies;
  - (b) by any Electricity Board for the purpose of facilitating the taking over of the business of the body by them on the vesting date; or
  - (c) by the Minister, the Secretary of State or any Electricity Board for other purposes arising out of the provisions of this Part of this Act;

and to provide facilities for the examination of any such books, records and documents, and the taking of copies thereof and extracts therefrom, and facilities for the verification of other information furnished under the regulations; and such regulations

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may make provision as to the manner, time and place in or at which any requirement under the regulations is to be complied with. :

- (2) Regulations made under this section shall make provision for the payment to any such body of expenses reasonably incurred by them in complying with any requirements made by or under the regulations.

### PART III

#### FINANCIAL PROVISIONS.

#### **36 General duties and powers of Central Authority and Area Boards in financial matters.**

- (1) It shall be the duty of the Central Authority so to exercise and perform their functions under this Act, including their functions in relation to Area Boards, as to secure that the combined revenues of the Central Authority and all the Area Boards taken together are not less than sufficient to meet their combined outgoings properly chargeable to revenue account taking one year with another.
- (2) Without prejudice to the powers of the Central Authority under Part I of this Act to exercise, by means of directions given to Area Boards, a general control over the policy of those Boards in financial as in other matters, such directions may require Area Boards—
  - (a) to submit for the approval of the Central Authority periodic estimates of revenue and expenditure;
  - (b) to obtain the approval of the Central Authority of programmes of development involving capital expenditure, and of expenditure otherwise properly chargeable to capital account and in other classes of cases where it is desirable in the opinion of the Central Authority to secure co-ordination between different Area Boards in matters involving expenditure.

#### **37 Fixing and variation of tariffs.**

- (1) The prices to be charged by the Central Authority for the supply of electricity by them to Area Boards shall be in accordance with such tariffs as may be fixed by the Authority from time to time, and different tariffs may be fixed for different Area Boards.
- (2) The tariffs fixed under the last foregoing subsection 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 Central Authority will secure adequate publicity for them.
- (3) Subject to any directions of the Central Authority and to the provisions of this Act with respect to railways/the prices to be charged by Area Boards for the supply of electricity by them shall be in accordance with such tariffs as may be fixed from time to time by them, and those tariffs 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 Area Board will secure adequate publicity for them:

Provided that—

- (a) the tariffs in force immediately before the vesting date in the area of supply or any part of the area of supply of any authorised undertakers shall remain in force, until varied or replaced by tariffs fixed in accordance with this section, and apply to the supply of electricity by the Area Board within whose area the said area of supply or part thereof is comprised; and
  - (b) nothing in this subsection shall affect any agreement in force immediately before the vesting date.
- (4) A tariff fixed by an Area Board under the last foregoing subsection may include a rent or other charge in respect of electrical fittings provided by the Board on the premises of the consumer.
- (5) The Central Authority may give directions to any Area Board requiring them, in such classes of cases as may be specified in the directions, to obtain the approval in writing of the Central Authority before exercising their powers under the foregoing provisions of this section.
- (6) The Central Authority may, if they consider that the tariffs in force in the area or any part of the area of an Area Board ought to be varied or replaced by new tariffs, direct the Area Board to submit proposals for varying or replacing those tariffs, and may approve the proposals so submitted either without modifications or with such modifications as, after consultation with the Area Board, they think fit to make; and it shall be the duty of the Area Board to give effect to any proposals approved under this subsection.
- (7) Notwithstanding anything in the foregoing provisions of this section, an Area Board may enter into an agreement with any consumer for the supply of electricity to him on such terms as may be specified in the agreement:
- Provided that an Area Board, in exercising their powers under this subsection, shall—
- (a) secure that such agreements are only made in cases where the tariffs in force are not appropriate owing to special circumstances; and
  - (b) comply with any directions given by the Central Authority, whether of a general or specific character.
- (8) An Area Board, in fixing tariffs and making agreements under this section, 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, and the Central Authority shall, in exercising their powers under this section in relation to the fixing of tariffs and making of agreements by Area Boards, secure compliance by Area Boards with this subsection.

**38 Investigation into and modification of provisions of Act of 1943 regarding price of electricity supplied under s. 16 (1).**

- (1) The Minister and the Secretary of State shall, before the expiry of the tenth year after the passing of the Act of 1943, cause an investigation to be made into the working of the provisions of subsection (1) of section sixteen of that Act and of the Fourth Schedule thereto regarding the price to be charged by the North of Scotland Board for electricity supplied under the said subsection and shall cause a report of the result of the investigation to be laid before Parliament.
- (2) The Minister and the Secretary of State acting jointly may, after consideration of the said report, make, by order, such alterations or modifications in the provisions aforesaid as they may think fit.

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- (3) An order under the last foregoing subsection shall be laid before Parliament immediately after it is made, and if either House of Parliament, within the period of forty days beginning with the day on which the order is laid before it, resolves that it be annulled, the order shall cease to have effect, but without prejudice to anything previously done thereunder or to the making of a new order.

In reckoning any such period of forty days, no account shall be taken of any time during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than four days.

- (4) The Fourth Schedule to the Act of 1943 (which contains rules for the ascertainment of the price payable to the North of Scotland Board for electricity supplied under subsection (1) of section sixteen of that Act) shall be amended by the insertion in subparagraph (a) of paragraph 4 after the words "resultant sum" of the words "increased (except in the case of a station to the establishment of which consent was given under section two of the Electric Lighting Act, 1909, or section eleven of the Electricity (Supply) Act, 1919, after the fifth day of August nineteen hundred and forty-three) by such percentage as the Secretary of State and the Minister of Fuel and Power acting jointly may from time to time determine."

### **39 Borrowing powers of Central Authority and Area Boards.**

- (1) The Central Authority and any Area Board may, with the consent of the Minister and with the approval of the Treasury or in accordance with the terms of any general authority issued by the Minister with the approval of the Treasury, borrow temporarily, by way of overdraft or otherwise, such sums as the borrowing Authority or Board may require for meeting their obligations or discharging their functions under this Act.
- (2) The Central Authority may, with the consent of the Minister and the approval of the Treasury, borrow money by the issue of British Electricity Stock, for all or any of the following purposes, that is to say—
- (a) the redemption of any British Electricity Stock;
  - (b) the provision of money for meeting any expenditure incurred by the Central Authority or any Area Board in connection with any works the cost of which is properly chargeable to capital account;
  - (c) the provision of any working capital required by the Central Authority or any Area Board;
  - (d) the provision of money required for the payment of compensation to any local authority, in respect of severance or, in pursuance of a direction of the Minister under Part II of this Act, in respect of expenditure on capital works;
  - (e) any other purpose for which capital moneys are properly applicable by the Central Authority or any Area Board, including the repayment of any money temporarily borrowed under the last foregoing subsection for any of the purposes mentioned in this subsection; and
  - (f) any other payment which the Central Authority or any Area Board are authorised to make and which ought in the opinion of the Central Authority to be spread over a term of years.
- (3) The aggregate of the amounts outstanding in respect of the principal of any stock issued by the Central Authority, otherwise than for the purpose of paying compensation under Part II of this Act whether in stock or cash, and in respect of any

temporary loans raised by the Central Authority or any Area Board shall not at any time exceed the sum of seven hundred million pounds:

Provided that nothing in this subsection shall prevent the Central Authority from borrowing in excess of the said sum for the purpose of redeeming any British Electricity Stock which they are required or entitled to redeem, or of repaying any money temporarily borrowed under subsection (1) of this section.

- (4) Save as aforesaid, neither the Central Authority nor any Area Board shall borrow any money.

#### **40 British Electricity Stock.**

- (1) The Central Authority—
- (a) may create and issue any stock required for the purpose of exercising their powers under the last foregoing section;
  - (b) shall create and issue such stock as is required for the purpose of satisfying any right to compensation which, under, any provision of this Act, is expressly required to be satisfied by the issue of stock;

and the stock so created and issued is in this Act referred to as " British Electricity Stock,"

- (2) Subject to the provisions of this section, and of the Third Schedule to this Act, British Electricity Stock shall be issued, transferred, dealt with and redeemed upon such terms and in accordance with such provisions as may be prescribed by regulations made by the Minister, with the approval of the Treasury, and any such regulations may, in relation to any such stock, apply with or without modifications any provisions of the Local Loans Act, 1875, or of any enactments relating to stock issued by a local authority.
- (3) Any British Electricity Stock in which no person other than the Central Authority has any beneficial interest shall be cancelled.
- (4) Where any British Electricity Stock has through inadvertence been issued in respect of securities the whole of the beneficial interest in which was vested immediately before the vesting date in a body to whom Part II of this Act applies, not being a local authority, the stock shall be deemed to be held on behalf of the Central Authority.

#### **41 Apportionment of liabilities in respect of stock and borrowed moneys as between Central Authority and Area Boards.**

- (1) The Central Authority may require any Area Board to contribute, to such extent as may be determined by the Central Authority, towards the satisfaction of the obligations of the Central Authority in respect of—
- (a) the redemption of British Electricity Stock or the payment of interest thereon;
  - (b) the repayment of sums to the Treasury under the next following section or the payment of interest thereon;
  - (c) the making of payments under Part II of this Act by way of compensation to local authorities; or
  - (d) the repayment of any sums temporarily borrowed by the Central Authority or the payment of interest thereon ;

and the Area Board shall comply with that requirement.

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- (2) The Central Authority, in exercising their powers under this section, shall act on general principles settled from time to time with the approval of the Minister.

#### **42 Treasury guarantees.**

- (1) The principal of and the interest on any British Electricity Stock created and issued for the purpose of satisfying any right to compensation which, under any provision of this Act, is expressly required to be satisfied by the issue of stock, shall be guaranteed by the Treasury, and the Treasury may guarantee, in such manner and on such conditions as they think fit, the redemption or repayment of, and the payment of any interest on, any other British Electricity Stock or any temporary loan raised by the Central Authority or any Area Board.
- (2) Any sums required by the Treasury for fulfilling any such guarantee as is provided for by the last foregoing subsection shall be charged on and issued out of the Consolidated Fund of the United Kingdom or the growing produce thereof (hereinafter referred to as "the Consolidated Fund"), and any such sums shall be repaid together with interest thereon at such rate as the Treasury may determine by the Central Authority to the Treasury in such manner and over such period as the Treasury may, after consultation with the Minister, determine.
- (3) Immediately after a guarantee is given under this section, the Treasury shall lay a statement of the guarantee before each House of Parliament.
- (4) Where any sum is issued out of the Consolidated Fund under this section, the Treasury shall forthwith lay before each House of Parliament, a statement that that sum has been issued.

#### **43 Reserve Funds of Central Authority and Area Boards.**

- (1) The Central Authority shall establish and maintain a general reserve fund, which shall be known as the central reserve fund.
- (2) The Central Authority and the Area Boards shall contribute to the central reserve fund such sums at such times as the Central Authority may determine and the management of the said fund and the application of the moneys comprised therein shall be as the Central Authority may determine:

Provided that—

- (a) no part of the said fund shall be applied otherwise than for the purposes of the Central Authority and Area Boards; and
- (b) the power of the Minister to give directions to the Central Authority shall extend to the giving to them, with the approval of the Treasury, of directions as to any matter relating to the establishment or management of the said fund, the carrying of sums to the credit thereof, or the application thereof, notwithstanding that the directions may be of a specific character.
- (3) Any Area Board may establish a general reserve fund for the purposes of the Area Board, which shall be known as an area reserve fund.
- (4) If an Area Board establish an area reserve fund, they shall, from their surplus revenue, contribute to the said fund, to such extent as the Central Authority may approve, and the management of the said fund and the application of the moneys comprised therein shall be as the Area Board may determine:

Provided that—

- (a) no part of the fund shall be applied otherwise than for the purposes of the Area Board; and
  - (b) the power of the Central Authority to give directions to any Area Board shall extend to the giving to them, with the approval of the Minister, of directions as to any matter relating to the establishment or management of the area reserve fund or the carrying of sums to the credit thereof, notwithstanding that the directions may be of a specific character.
- (5) The foregoing provisions of this section shall be without prejudice to the power of the Central Authority or any Area Board to establish appropriate reserves for replacements or other purposes:

Provided that an Area Board shall act in regard to the establishment, management and application of any such reserve in accordance with any directions of the Central Authority, whether of a general or specific character.

- (6) It is hereby declared that one of the purposes of the central reserve fund and the area reserve funds is the prevention of frequent fluctuations in the charges made by the Central Authority and the Area Boards, and the powers of that Authority and those Boards in relation of those funds shall be exercised accordingly.

#### **44 Application of surplus revenues of Central Authority and Area Boards.**

- (1) Any excess of the Central Authority's revenues for any financial year over their outgoings for that year properly chargeable to revenue account shall be applied for such purposes as the Authority may determine:

Provided that—

- (a) no part of any such excess shall be applied otherwise than for the purposes of the Authority or any Area Board; and
  - (b) the power of the Minister to give directions to the Authority shall extend to the giving to them, with the approval of the Treasury, of directions as to the application of any such excess, notwithstanding that the directions may be of a specific character.
- (2) Any excess of any Area Board's revenues for any financial year over their outgoings for that year properly chargeable to revenue account shall be applied for such purposes of the Area Board as the Board may, with the approval of the Central Authority, determine.

#### **45 Sums which are to be chargeable to revenue account.**

The Central Authority and the Area Boards shall charge to revenue account in every year all charges which are proper to be made to revenue account, including, in particular, proper allocations to the central reserve fund (but not including, in the case of an Area Board, allocations to an area reserve fund), proper provision for the redemption of capital and proper provision for depreciation of assets or for renewal of assets, and all payments (including the payments which are by the relevant provision of this Act, or by any other relevant enactment, to be deemed to be capital payments) which fall to be made in that year to any local authority under Part II of this Act in respect of any loan of that local authority, and references in this Act to outgoings properly chargeable to revenue account shall be construed accordingly.

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#### **46 Accounts and audit of Central Authority and Area Boards.**

- (1) The Central Authority and each Area Board shall keep proper accounts and other records in relation to the business of that Authority or the business of that Board, as the case may be, and shall prepare in respect of each financial year a statement of accounts in such form as the Minister, with the approval of the Treasury, may direct, being a form which shall conform with the best commercial standards.
- (2) The form of the said statement shall be such as to secure the provision of separate information as respects the generation of electricity, the distribution of electricity, and each of the main other activities of the Electricity Board concerned, and to show as far as may be the financial and operating results of each such activity.
- (3) The accounts of the Central Authority and of every Area Board shall be audited by auditors to be appointed in respect of each financial year by the Minister:

Provided that no person shall be qualified to be so appointed unless he is a member of one or more of the following bodies:—

The Institute of Chartered Accountants in England and Wales;  
The Society of Incorporated Accountants and Auditors;  
The Society of Accountants in Edinburgh;  
The Institute of Accountants and Actuaries in Glasgow;  
The Society of Accountants in Aberdeen;  
The Association of Certified and Corporate Accountants, Limited.

- (4) So soon as the accounts of any Area Board have been audited, they shall send the statement of their accounts referred to in subsection (1) of this section to the Central Authority together with a copy of any report made by the auditors on that statement or on the accounts of the Board.
- (5) So soon as the accounts of the Central Authority have been audited, they shall send a copy of the statement of their accounts referred to in subsection (1) of this section to the Minister together with a copy of any report made by the auditors on that statement or on the accounts of the Authority and shall also send copies of the statements of accounts of every Area Board to the Minister together with any reports on those statements or accounts as aforesaid, and copies thereof shall be made available to the public at a reasonable price.
- (6) The Minister shall lay a copy of every such statement and report before each House of Parliament.

#### **47 Provisions as to North of Scotland Board.**

- (1) Where stock has been issued by the Central Authority by way of compensation to the holders of securities of any body to whom Part II of this Act applies, other than a local authority, being a body whose property, rights, liabilities and obligations vest in the North of Scotland Board by virtue of this Act, there shall be issued to the Central Authority stock of the North of Scotland Board of such amount as in the opinion of the Treasury is, having regard to values at the vesting date, of a value equal to that of the stock issued by the Central Authority.
- (2) Where sums have been paid by the Central Authority to the holders of any such securities as aforesaid by way of interest on stock issued by the Central Authority as aforesaid, being interest in respect of any period before the issue of stock by the North



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of Scotland Board as aforesaid, the North of Scotland Board shall repay those sums to the Central Authority.

- (3) Where the property, rights, liabilities and obligations of a local authority vest by virtue of this Act in the North of Scotland Board, that Board shall repay to the Central Authority all sums paid by the Authority under Part II of this Act to the local authority by way of compensation, and any dispute between the North of Scotland Board and the Central Authority under this subsection shall be determined by the Minister and the Secretary of State jointly.
- (4) Where stock has been issued by the Central Authority by way of compensation to the holders of securities of any body to whom Part II of this Act applies, other than a local authority, being a body who, immediately before the vesting date, held securities or the whole of the beneficial interest in securities of another such body whose property, rights, liabilities and obligations vest in the North of Scotland Board by virtue of this Act, there shall be determined by agreement between the Central Authority and the North of Scotland Board or, in default of such agreement, by the Minister and the Secretary of State jointly the amount of compensation that would have been payable in respect of those securities of that other body if they, or the beneficial interest therein, had not been held by a body to whom Part II of this Act applies, and there shall be issued to the Central Authority stock of the North of Scotland Board of such amount as in the opinion of the Treasury is, having regard to values at the vesting date, of a value equal to the amount so determined:

Provided that this subsection shall not apply in a case where the body holding the securities or the beneficial interest therein are a body to whom subsection (1) of this section applies.

- (5) Where any property, rights, liabilities or obligations are transferred by an order made under Part II of this Act to or from the North of Scotland Board from or to any other Electricity Board, the order may provide for adjusting the obligations of the North of Scotland Board under this section to such extent as the Minister and the Secretary of State think fit.
- (6) Any stock issued by the North of Scotland Board under this section shall be deemed to have been issued under section thirteen of the Act of 1943.
- (7) The limit imposed by subsection (1) of section fourteen of the said Act on the amount of loans raised by the North of Scotland Board which the Treasury may guarantee shall cease to have effect:

Provided that the aggregate of the amounts outstanding in respect of the principal of any stock issued (other than stock issued to the Central Authority under this section) and of any temporary loans raised by the North of Scotland Board shall not at any time exceed the sum of one hundred million pounds, but nothing in this proviso shall prevent the said Board from borrowing in excess of the said sum for the purpose of redeeming any stock which they are required or entitled to redeem or of repaying any such temporary loans.

- (8) Where the property, rights, liabilities and obligations of any authorised undertakers have vested under Part II of this Act in the North of Scotland Board, the prices to be charged by that Board for electricity supplied within the area of supply of those undertakers shall, pending any determination in accordance with regulations under section ten of the Act of 1943 applying to such prices, not exceed the prices charged in the said area immediately before the vesting date.

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## PART IV

### MISCELLANEOUS AND GENERAL.

#### *Non-statutory undertakings.*

#### **48 Acquisition of non-statutory undertakings.**

- (1) This section applies to any person, not being a body to whom Part II of this Act applies, who at the passing of this Act is engaged in supplying electricity to the general public and who, at any time after the nineteenth day of November, nineteen hundred and forty-five, has incurred or incurs, in respect of works approved by the Minister for the purposes of this section (whether before or after the execution of the works) expenditure properly chargeable to capital account; and in this section any such person is referred to as " the undertakers," and his business, so far as it consists of the supply of electricity to the general public, is referred to as " the electricity undertaking."
- (2) The undertakers may, at any time before the expiration of the period of twelve months beginning with the date of the passing of this Act, serve on the Central Authority a notice requiring that the electricity undertaking shall be transferred under this section, and thereupon the following provisions of this section shall have effect.
- (3) On such date, not being later than six months after the service of the notice, as may be agreed between the undertakers and the Central Authority or, in default of agreement, determined by the Minister (which date is hereafter in this section referred to as " the date of transfer "), all property of the undertakers which was, immediately before the date of transfer, wholly or mainly used for the purposes of the electricity undertaking shall, by virtue of this Act, vest in the Area Board whose area comprised the whole or the main part of the area of supply of the undertakers, and shall vest free of any mortgage or other incumbrance.
- (4) For the purpose of transferring to the said Area Board agreements to which the undertakers were a party immediately before the date of transfer and which they entered into for the purposes of the electricity undertaking, so far as those agreements remain to be performed after the date of transfer, every such agreement, whether in writing or not, and whether or not of such a nature that rights, liabilities and obligations thereunder could be assigned by the undertakers shall, unless its terms or subject matter make it impossible, have effect, as .from the date of transfer, subject to the like modifications (with the substitution of references to the date of transfer for references to the vesting date) as agreements of bodies to whom Part II of this Act applies which are transferred to the Area Board under that Part.
- (5) The provisions of Part II of this Act relating to the disclaimer of agreements and leases shall apply to any agreements or leases which are transferred to the said Area Board under this section in like manner as they apply to agreements and leases of bodies to whom that Part applies, subject to the modification that for references to the vesting date there shall be substituted references to the date of transfer.
- (6) Subject to the provisions of this section, there shall be paid by the Central Authority to the undertakers, by way of compensation for the transfer of the electricity undertaking, such amount as the undertaking might have been expected to realise if—
  - (a) it had been sold as a going concern on the date of transfer in the open market by a willing seller to a willing buyer;

- (b) the effect of the sale had been to transfer to the buyer the property, rights, liabilities and obligations which are transferred or granted to the Area Board by or under this section, except any property or rights, which are transferred or granted on terms agreed or determined in accordance with regulations made under this section; and
  - (c) this Act had not been passed.
- (7) Any question arising under this section as to—
  - (a) whether a particular person is a person to whom this section applies;
  - (b) what property of the undertakers vests in the Area Board under subsection (3) of this section;
  - (c) what agreements of the undertakers are to have effect in accordance with subsection (4) of this section;
  - (d) what compensation is to be paid under subsection (6) of this section;

shall, in default of agreement between the undertakers and the Central Authority, be determined by arbitration under this Act, and the provisions of Part II of this Act relating to the arbitration tribunal shall apply for the purpose of determining questions under this section and any questions which, under regulations made under this section, are to be determined by arbitration under this Act, as they apply for the purpose of determining questions under the provisions of Part II of this Act or any regulations made thereunder.
- (8) Subsections (2) and (4) of section fifteen of this Act shall apply to the undertakers in like manner as they apply to a local authority subject to the modifications that for references to property held or used by the local authority in their capacity as authorised undertakers there shall be substituted references to property held or used by the undertakers for the purposes of the electricity undertaking, for references to other capacities of the local authority there shall be substituted references to other purposes of the company and for references to the Minister of Health there shall be substituted references to the Minister and for references to the vesting date there shall be substituted references to the date of transfer, and any question whether any property is or was (for the purposes of -the said subsection (2) as so applied) held or used partly for the purposes of the electricity undertaking and partly for other purposes shall, in default of agreement, be determined by arbitration under this Act.
- (9) Regulations may make provision, in a case where property vested in an Area Board under this section was, immediately before the date of transfer, subject to a mortgage or other incumbrance, for the payment to the mortgagee or incumbrancer of the compensation or any part of the compensation payable in respect of that property, or may make other provision for the protection of mortgagees and incumbrancers of any such property.
- (10) Where at the date of transfer any legal proceedings or any application to any authority under any enactment are pending by or against the undertakers in connection with any property, rights, liabilities or obligations which are vested in or transferred to an Area Board under this section, the Board, if the circumstances so require, may be added as a party to the proceedings or application or may be substituted for the undertakers as a party to the proceedings or application.
- (11) Nothing in this section shall operate to transfer any cash or investments of the undertakers to an Area Board, and nothing in this section shall affect—

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- (a) any right, liability or obligation with respect to the borrowing of money by the undertakers or to the raising of money by the undertakers by the issue of securities ;
  - (b) any right, liability or obligation (if the undertakers are a company) under any agreement for the rendering by any person of services to the undertakers as a director (other than a managing director or a director whose functions are substantially those of an employee);
  - (c) any right to, or liability to pay, any debt which became due before, or was in respect of a consideration wholly executed before, the date of transfer; or
  - (d) any right to, or liability to pay, any damages which accrued before the date of transfer.
- (12) Regulations may require any person who is or may be a person to whom this section applies to produce such books of account, records and documents, to supply copies of and extracts from such books, records and documents, and to furnish such other information as may reasonably be required—
- (a) by the Minister for the purpose of ascertaining whether or not this section applies to that person, or for other purposes arising out of the provisions of this section; or
  - (b) by any Electricity Board for the purpose of facilitating the taking over of the electricity undertaking of that person by them on the date of transfer;
- and to provide facilities for the examination of any such books, records and documents, and the taking of copies thereof and extracts therefrom, and facilities for the verification of other information furnished under the regulations; and such regulations may make provision as to the manner, time and place in or on which any requirement under the regulations is to be complied with, and shall provide for the payment to any such person of expenses reasonably incurred by him in complying with any requirements made by or under the regulations.
- (13) For the purposes of this section, a person shall, when supplying electricity to any other person, be deemed to be supplying electricity to the general public unless the electricity is supplied for the purposes of a trade or business and the relationship between the person giving the supply and the person supplied is that of a holding company and a subsidiary company, or vice versa, or either of the said persons is, in some other way, able to exercise a substantial measure of control over the carrying on of the trade or business of the other person, and any question as to whether a supply of electricity to any person is a supply to the general public shall, in default of agreement between the undertakers and the Central Authority, be determined by arbitration under this Act.
- (14) The foregoing provisions of this section shall, in their application to any undertakers whose area of supply is wholly or mainly comprised in the North of Scotland District, have effect with the substitution for references to the Minister of references to the Secretary of State, and for references to the Central Authority or to an Area Board of references to the North of Scotland Board.

*Further Provisions relating to Electricity Supply.*

**49 Supply of electricity to railways.**

- (1) As from the vesting date, it shall be the duty of the Central Authority to provide, except in the North of Scotland District, and it shall be the duty of the North of Scotland Board to provide in that District, a supply of electricity to meet the requirements for

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haulage or traction of any railway undertakers, and an Area Board shall not, without the approval of the Central Authority, supply electricity to any railway undertakers for the purposes of haulage or traction.

- (2) The terms and conditions on which electricity is supplied by an Electricity Board to any railway undertakers for the purposes of haulage or traction shall be determined in accordance with regulations made by the Minister and the Minister of Transport jointly, or, in the case of a supply by the North of Scotland Board, the Secretary of State and the Minister of Transport jointly, and such regulations shall make provision for securing that the charges made for any such supply and the other terms and conditions on which it is provided are such as to avoid financial loss resulting to the Electricity Board from the provision of the supply.
- (3) Where electricity is supplied by an Electricity Board to any railway undertakers for the purposes of haulage or traction, the Board may enter into an agreement with the railway undertakers for the use of that supply, on such terms and conditions as may be agreed, for any other purposes for which electricity may be required by the railway undertakers :

Provided that an Area Board shall not make an agreement under this subsection which involves the use of the supply outside the area of that Board, unless the agreement has been approved by the Central Authority.

- (4) The Central Authority may, with the approval of the North of Scotland Board, provide in the North of Scotland District a supply of electricity to railway undertakers under this section, and a supply provided by the Central Authority outside the said District may, with the like approval, be used in that District.
- (5) The North of Scotland Board may, with the approval of the Central Authority, provide outside the North of Scotland District a supply of electricity to railway undertakers under this section, and a supply provided by the North of Scotland Board in the said District may, with the like approval, be used outside that District.
- (6) Where an Area Board provide within their area, with the approval of the Central Authority, a supply of electricity to any railway undertakers under this section, that supply may be used outside the area of the Area Board:

Provided that any such supply of electricity shall not be used in the North of Scotland District without the approval of the North of Scotland Board.

- (7) Without prejudice to any other enactment providing for the protection of telegraphic lines belonging to or used by the Postmaster General, any electricity supplied under this section to any railway undertakers shall be used in such manner as not to cause, or to be likely to cause, any interference (whether by induction or otherwise) with any such telegraphic line, or with telegraphic communication by means of any such line.

In this subsection the expression " telegraphic line " has the same meaning as in the Telegraph Act, 1878.

## **50 Use of heat from generating stations.**

- (1) It shall be the duty of the Central Authority to investigate methods by which heat obtained from or in connection with the generation of electricity may be used for the heating of buildings in neighbouring localities, or for any other useful purpose, and the Authority may accordingly conduct, or assist others in conducting, research into any matters relating to such methods of using heat.

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- (2) Any Electricity Board may themselves provide, or assist other persons to provide, for the heating of buildings by such methods as aforesaid or otherwise for the use of heat obtained as aforesaid.
- (3) Any Electricity Board may, in accordance with a scheme submitted by them to the Minister and approved by order of the Minister, exercise for the purposes mentioned in the last foregoing subsection any powers of that Board under this Act (including any enactments incorporated therewith) or the Electricity (Supply) Acts, 1882 to 1936, or any local enactment, being powers relating to the breaking-up of streets, railways and tramways, in like manner and subject to the like provisions and restrictions as they are exercisable for the purposes of the supply of electricity, subject to such adaptations as may be prescribed by the order:
- Provided that, in the case of a scheme of the North of Scotland Board, the scheme shall be submitted to, and approved by order of, the Secretary of State.
- (4) Any order made under this section shall be subject to Special parliamentary procedure.

## **51 Power to break up streets for certain purposes.**

- (1) Where any Area Board or the North of Scotland Board—
- (a) acquire a bulk supply of electricity which is received by them outside their area or, as the case may be, outside the North of Scotland District; or
  - (b) provide a supply of electricity outside their area or, as the case may be, outside the North of Scotland District,
- the Board may, in accordance with proposals submitted by them to the Minister and approved by him, exercise for the purpose of such acquisition or the provision of such supply any powers of that Board under this Act (including any enactment incorporated therewith) or the Electricity (Supply) Acts, 1882 to 1936, or any local enactment, being powers relating to the breaking up of streets, railways and tramways which would not otherwise be so exercisable:
- Provided that, in the case of the North of Scotland Board, the proposals shall be submitted to and approved by the Secretary of State, and the references to the enactments aforesaid shall include a reference to the Act of 1943.
- (2) The powers conferred by this section shall be exercisable in like manner and subject to the like provisions and restrictions as they are exercisable by the Board concerned for the purpose of the supply of electricity in the area or District of the Board.

## **52 Extension of period for certification of meters.**

The period of ten years specified in section three of the Electricity Supply (Meters) Act, 1936, (which provides that certain meters shall be deemed to be proper meters for ascertaining the value of a supply), being the period after which that section is to cease to apply to any meters, shall be extended by a further period of five years, and accordingly for the words " ten years " in subsection (3) of that section there shall be substituted the words " fifteen years ".

*Conditions of Employment and Pension rights.*

**53 Machinery for settling terms and conditions of employment of staff, etc.**

- (1) Except so far as they are satisfied that adequate machinery exists for achieving the purposes of this section, it shall be the duty of the Central Authority to seek consultation with any organisation appearing to them to be appropriate with a view to the conclusion between the Authority and that organisation of such agreements as appear to the parties to be desirable with respect to the establishment and maintenance of machinery for—
  - (a) the settlement by negotiation of terms and conditions of employment of persons employed by Electricity Boards, with provision for reference to arbitration in default of such settlement in such cases as may be determined by or under the agreements; and
  - (b) the promotion and encouragement of measures affecting the safety, health and welfare of persons employed by Electricity Boards and the discussion of other matters of mutual interest to the Boards and such persons, including efficiency in the operation of the services of the Boards.
- (2) In exercising their powers under the last foregoing subsection the Central Authority shall consult with the Area Boards and the North of Scotland Board.
- (3) It shall be the duty of every Area Board and of the North of Scotland Board to comply with any such agreement as aforesaid.
- (4) The Central Authority shall send to the Minister, the Secretary of State and the Minister of Labour and National Service copies of any such agreement as aforesaid and of any instrument varying the terms of any such agreement.

**54 Provisions as to pension rights.**

- (1) The Minister and the Secretary of State may make joint regulations for all or any of the following purposes, that is to say—
  - (a) for providing pensions to or in respect of persons who are or have been in the employment of an Electricity Board or a Consultative Council, or persons who have been members of the Central Electricity Board or have been employed by any body to whom Part II of this Act applies or have been employed whole-time for the purpose of administering undertakings or parts of undertakings of authorised undertakers, but who have not been taken into the employment of an Electricity Board as aforesaid;
  - (b) for the establishment and administration of pension schemes and pension funds for the purposes of the foregoing paragraph, for the continuance, amendment, - repeal or revocation of existing pension schemes relating in whole or in part to the like purposes and of enactments relating thereto and of trust deeds, rules or other instruments made for the purposes thereof, for the transfer in whole or in part, or for the extinguishment, of liabilities under any such existing pension schemes, and for the transfer in whole or in part, or winding up, of pension funds held for the purposes of any such existing pension schemes, so, however, that nothing in this paragraph shall be construed as authorising the diversion of any such funds to purposes other than those of the foregoing paragraph;
  - (c) for making any provision consequential on any such provision as aforesaid including provision for the dissolution or winding up of bodies, whether

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incorporated or not, the continued existence whereof is unnecessary having regard to the regulations.

- (2) Where provision is made by any such regulations for the amendment, repeal or revocation of any existing pension scheme or of any enactment relating thereto or any trust deed, rules or other instrument made for the purposes thereof, or for the transfer or extinguishment of any liability under any pension scheme or for the transfer or winding up of any pension fund held for the purposes of any such scheme, the regulations shall be so framed as to secure that persons having pension rights under the scheme, whether such persons as are mentioned in paragraph (a) of the last foregoing subsection or not, are not placed in any worse position by reason of the amendment, repeal, revocation, transfer, extinguishment or winding up:

Provided that this subsection shall, have effect subject to such limitations as may be prescribed for meeting cases in which, in connection with any provision made by this Act or in anticipation of the making of any such provision, pension rights have been created otherwise than in the ordinary course.

- (3) Regulations made under this section shall not be invalid by reason that in fact they do not secure that persons having pension rights, are not placed in any worse position by reason of any such amendment, repeal, revocation, transfer, extinguishment or winding up as is mentioned in the last foregoing subsection, but if the Minister and the Secretary of State are satisfied or it is determined as hereinafter mentioned that any such regulations have failed to secure that result, the Minister and the Secretary of State shall as soon as possible make the necessary amending regulations.

Any dispute arising as to whether or not the said result has been secured by any regulations made under this section shall be referred to a referee or board of referees appointed by the Minister of Labour and National Service, after consultation with the Lord Chancellor or, where the proceedings are to be held in Scotland, after consultation with the Secretary of State, for his or their determination thereon, and the decision of that referee or board shall be final.

- (4) Without prejudice to the generality of the foregoing provisions of this section, regulations made under this section may contain provisions authorising any person who, being a participant in any pension scheme to which the regulations relate, becomes a member of an Electricity Board, being treated as if his service as a member, of the Board were service in the employment of the Board, and the pension rights of any such person resulting from the operation of any such provision shall not be affected by any provision of this Act which requires that "the pensions, if any, which are to be paid in the case of members of the Board are to be determined by the Minister with the approval of the Treasury.
- (5) Subject to any regulations made under this section, the provisions of this Act which vest liabilities and obligations of a body to whom Part II of this Act applies in an Electricity Board shall apply in relation to customary obligations of the body in respect of pensions notwithstanding that the body was under no legal obligation in respect of those pensions, and if any question arises as to the existence or extent of any such customary obligation, the question shall, in default of agreement, be referred to a referee or board of referees appointed by the Minister of Labour and National Service, after consultation with the Lord Chancellor, or where the proceedings are to be held in Scotland, after consultation with the Secretary of State, and the decision of that referee or board shall be final and the Electricity Board shall give effect to that decision.



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- (6) Nothing in this section, and in particular nothing in subsection (2) thereof, shall be taken to derogate from the power conferred by subsection (4) of section sixty-nine of the National Insurance Act, 1946, to make regulations providing for the modifying or winding up of pension schemes in connection with the passing of that Act.
- (7) Regulations made under this section may contain such supplementary and consequential provisions as the Minister and the Secretary of State think necessary, including provisions as to the manner in which questions arising under the regulations are to be determined and provisions adapting, modifying or repealing enactments, whether of general or special application.
- (8) Regulations made for the purposes of this section may be made so as to have effect from a date prior to the making thereof, so, however, that so much of any regulations as provides that any provision thereof is to have effect from a date prior to the making thereof shall not place any person other than an Electricity Board in a worse position than he would have been if the regulations had been made to have effect only as from the date of the making thereof.

## **55 Compensation to officers in connection with transfers.**

- (1) The Minister and the Secretary of State jointly shall by regulations require every Electricity Board to pay, in such cases and to such extent as may be specified in the regulations, compensation to officers of any body whose property, rights, liabilities and obligations vest by virtue of this Act in the Board and officers employed whole-time for the purpose of administering undertakings or parts of undertakings of authorised undertakers, being officers who suffer loss of employment or loss or diminution of emoluments or pension rights or whose position is worsened in consequence of the vesting, or in consequence of the subsequent transfer to another Electricity Board or the subsequent disposal in any other manner, of any such property, rights, liabilities or obligations.
- (2) The Minister shall also, in such cases and to such extent as may be specified in the regulations, by regulations require the Central Authority to pay compensation to—
  - (a) members of the Central Electricity Board, and
  - (b) Electricity Commissioners and officers of the Electricity Commissioners, who suffer loss of employment or loss or diminution of emoluments or pension rights or whose position is worsened in consequence of the dissolution of the Central Electricity Board or, as the case may be, the Electricity Commissioners, by or under this Act.
- (3) Regulations made under subsection (1) or subsection (2) of this section shall, in such cases and to such extent as may be specified in the regulations, extend to persons who would have been within the said subsection (1) or, as the case may be, the said subsection (2) but for any war service in which they have been engaged.

In this subsection the expression " war service " means service in any of His Majesty's forces and. such other employment as may be specified in the regulations.

- (4) Different regulations may be made under this section in relation to different classes of persons, and any such regulations may be so framed as to have effect as from a date prior to the making thereof, so, however, that so much of any regulations as provides that any provision thereof is to have effect as from a date earlier than the making thereof shall not place any person other than an Electricity Board in a worse position

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than he would have been in if the regulations had been made to have effect only as from the date of the making thereof.

- (5) Regulations made under this section—
- (a) shall prescribe the procedure to be followed in making claims for compensation, and the manner in which and the person by whom the question whether any or what compensation is payable is to be determined; and
  - (b) may in particular contain provisions enabling appeals from any determination as to whether any or what compensation is payable to be brought, in such cases and subject to such conditions as may be prescribed by the regulations, before a referee or board of referees appointed by the Minister of Labour and National Service, after consultation with the Lord Chancellor or where the proceedings are to be held in Scotland, after consultation with the Secretary of State,

and where any such provision is made as is specified in paragraph (b) of this subsection, the decision of the referee or board of referees shall be final.

- (6) Nothing in this section shall be construed as enabling regulations to be made prejudicing the rights of any person under section sixteen of the Electricity (Supply) Act, 1919, or under section fifteen of and the Fourth Schedule to the Electricity (Supply) Act, 1926, or under the Compensation of Displaced Officers (War Service) (Electricity Undertakings) Order, 1946, being rights' arising in consequence of events which occurred before the vesting date.

References to the said sections and Schedule shall be construed as including references to those sections and that Schedule as applied by any other enactment, with or without modifications and adaptations.

- (7) No regulations shall be made under this section unless a draft thereof has been laid before Parliament and has been approved by resolution of each House of Parliament.
- (8) The Minister of Labour and National Service may, with the consent of the Treasury, pay out of moneys provided by Parliament—
- (a) to any referee or to the members of any board of referees appointed by him under this section or the last foregoing section such fees and allowances as he may with the consent of the Treasury determine; and
  - (b) to persons giving evidence before any such referee or board such allowances as he may with the consent of the Treasury determine.

**56 Arbitration Acts not to apply to proceedings before referees or boards of referees.**

Nothing in the Arbitration Acts, 1889 to 1934, shall be construed as applying to any proceedings before a referee or board of referees appointed under either of the two last foregoing sections by the Minister of Labour and National Service.

*Consequential Amendment of Statutory Provisions.*

**57 Application, amendment and repeal of enactments relating to electricity supply.**

- (1) As from the vesting date, the Electricity (Supply) Acts, 1882 to 1936, and any other enactment to which any provision of Part I of the Fourth Schedule to this Act applies, shall have effect subject to the adaptations and modifications specified

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in Part I of that Schedule, and the Act of 1943 shall have effect subject to the adaptations and modifications specified in Part II of that Schedule, being adaptations, and modifications required for the purpose of applying the said Acts and enactments to Electricity Boards and otherwise required in consequence of the provisions of this Act.

- (2) The Schedule to the Electric Lighting (Clauses) Act, 1899, shall, as from the vesting date, be incorporated with this Act, and shall have effect, as so incorporated, subject to the adaptations and modifications specified in Part III of the said Fourth Schedule.
- (3) All local enactments, in force at the vesting date and applicable to any authorised undertakers except enactments applicable to local authorities or composite companies otherwise than in their capacity as authorised undertakers, shall, as from the vesting date, have effect—
  - (a) as if for references to the undertakers there were substituted references to the appropriate Board;
  - (b) as if for any reference (however worded and whether expressed or implied) to the undertaking or any part of the undertaking or to the area of supply or any part of the area of supply of the Undertakers there were substituted a reference to so much of the business carried on by the appropriate Board as corresponds to that undertaking or part thereof or, as the case may be, a reference to the area constituting the said area of supply or part thereof immediately before the vesting date;

and shall also have effect, as from such date as may be prescribed which may be prior to the making of the regulations but not to the vesting date, with such other adaptations and modifications (if any) as may be prescribed, being adaptations and modifications required in consequence of the provisions of this Act (including the foregoing provisions of this section) or of the Act of 1943:

Provided that the provisions of any such local enactment shall, in so far as they are inconsistent with or rendered redundant by the provisions of this Act (including the foregoing provisions of this section) or of the Act of 1943, cease to have effect, as from the vesting date.

In this subsection the expression " the appropriate Board "—

- (a) in relation to undertakers all of whose property, rights, liabilities and obligations vest by virtue of this Act in a single Electricity Board, means that Board;
  - (b) in relation to undertakers, in whose case generating stations and main transmission lines vest by virtue of this Act in the Central Authority, and other parts of the undertaking vest as aforesaid in an Area Board, means—
    - (i) the Central Authority, as respects any enactment applicable only to the part of the undertaking vested in that Authority;
    - (ii) the Area Board, as respects any enactment applicable only to other parts of the undertaking;
    - (iii) both the said Authority and Board, as respects any enactment applicable both to the part vested in the Authority and to other parts of the undertaking.
- (4) For the purpose of securing, so far as reasonably practicable, a uniform statutory code applicable throughout the area of each Area Board and the North of Scotland District, the Minister may, as respects local enactments applicable to an Area Board, and the Secretary of State may, as respects local enactments applicable to the North of Scotland Board, by order provide for the repeal or amendment of any such enactment or for its

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extension to the whole of the area concerned, and for such matters consequential on or incidental to any such repeal, amendment or extension for which the Minister or the Secretary of State considers it necessary or expedient to provide.

An order under this subsection shall be subject to special parliamentary procedure.

- (5) Where an order made under this Act provides for the transfer of property, rights, liabilities and obligations from any Electricity Board to another such Board, that order or a subsequent order may provide for the application to the last named Board of the provisions of any local enactment applicable to the first named Board, so far as appears to the Minister or Ministers by whom the order is made necessary or expedient in consequence of the said transfer.
- (6) Where the undertaking of any person authorised by any enactment to supply electricity does not vest by virtue of this Act in any Electricity Board, the Minister or Secretary of State, as the case may be, may by order provide for the continued application to the undertaking, subject to such adaptations and modifications as may be necessary, of any enactments which would otherwise cease to apply to the undertaking in consequence of this section, including enactments repealed by this section.
- (7) As from the vesting date, the enactments mentioned in the Fifth Schedule to this Act are hereby repealed to the extent specified in the third column of that Schedule, and, where any local enactment incorporates (with or without adaptations or modifications) any provisions of the Schedule to the Electric Lighting (Clauses) Act, 1899, repealed by this subsection, or contains any provisions substantially corresponding therewith, those provisions shall cease to have effect:

Provided that—

- (a) the repeal of any provision under which any special order or other order was made, being an order which would be applicable to an Electricity Board by virtue of subsection (3) of this section, shall not affect that order;
- (6) the repeal of the provisions of section sixteen of the Electricity (Supply) Act, 1919, and section fifteen of and the Fourth Schedule to the Electricity (Supply) Act, 1926, and of the Fifth Schedule, to the Act of 1943 (so far as it applies the provisions aforesaid shall not affect the rights of any person arising under any of those provisions in consequence of any event occurring before the vesting date; and
  - (c) the repeal of section forty-two of and the First Schedule to the Civil Defence Act, 1939, shall not prevent the disposal of plant, equipment and property, and the application of the proceeds thereof, in accordance with Part II of the said Schedule.

## **58 Power to dissolve Electricity Commissioners.**

- (1) The Minister may by order provide—
  - (a) for dissolving the Electricity Commissioners;
  - (b) for transferring to the Minister all property, rights, liabilities and obligations of the Electricity Commissioners, and for the modification of agreements so far as necessary for giving effect to the transfer of rights, liabilities and obligations thereunder;
  - (c) for transferring to the Minister, the Secretary of State, the Central Authority or the North of Scotland Board any functions previously exercisable by the Electricity Commissioners under any enactment or for extinguishing any such functions;

- (d) for transferring from the Minister to the Central Authority or the North of Scotland Board such of the property, rights, liabilities and obligations transferred to him from the Electricity Commissioners as appear to the Minister to relate to any functions of the Commissioners so transferred;
  - (e) for the adaptation, modification or repeal of enactments relating to the Electricity Commissioners; and
  - (f) for matters incidental or supplementary to the matters aforesaid for which it appears to the Minister to be necessary or expedient to provide.
- (2) Any order made under this section shall secure that the pension rights of persons who have been Electricity Commissioners or officers of the Electricity Commissioners are not prejudiced by the order, and any pension payable in satisfaction of those rights shall be paid out of moneys provided by Parliament and shall be repaid to the Treasury by the Central Authority and the North of Scotland Board on demand to such extent as the Treasury may determine.

**59 Assets of Electricity Associations to be applicable for compensating their officers.**

Where any body, not being a body to whom Part II of this Act applies, have among their objects the promotion or protection of the interests of electricity undertakers or any class thereof, or of the officers of electricity undertakers or any class thereof, and, by reason of the failure of the objects of the body in consequence of the provisions of this Act, the affairs of the body are being wound up, any assets of the body which, after satisfaction of all their debts and liabilities, remain undisposed of may, notwithstanding anything in any enactment or instrument defining the objects of the body or regulating their affairs, be applied in whole or in part in compensating the officers of the body.

*General.*

**60 Power to make regulations relating to efficiency of supply and safety.**

- (1) The Minister may make such regulations as he thinks fit for the purpose of securing that any supply of electricity furnished to any consumer by an Electricity Board is regular and efficient, and that the public is so far as practicable protected from any personal injury, fire or other dangers arising from the use of electricity so furnished.
- (2) Any regulations made under section six of the Electric Lighting Act, 1882, and in force immediately before the vesting date shall continue in force, notwithstanding the repeal by this Act of the said section six, and shall have effect as if they had been made under this section.

**61 Penalties.**

- (1) If any person, in giving any information, making any claim or giving any notice for the purposes of any provision of this Act or of any regulation thereunder, makes any statement which he knows to be false in a material particular, or recklessly makes any statement which is false in a material particular, he shall be liable on summary conviction to imprisonment for a term not exceeding three months or to a fine not exceeding one hundred pounds, "or to both such imprisonment and such fine, or on

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conviction on indictment to imprisonment for a term not exceeding two years or to a fine not exceeding five hundred pounds, or to both such imprisonment and such fine.

- (2) Regulations made under any provision of this Act may provide that persons offending against the regulations shall be liable on summary conviction to a fine not exceeding one hundred pounds and, if the offence in respect of which he is so convicted is continued after the conviction, he shall be guilty of a further offence and liable in respect thereof on summary conviction to a fine not exceeding five pounds for each day on which the offence is so continued.

## **62 Provisions as to prosecutions and as to offences by corporations.**

- (1) Proceedings for an offence under the last foregoing section or any regulation made under this Act shall not, in England and Wales, be instituted except by or with the consent of the Minister or by the Director of Public Prosecutions.
- (2) Where an offence under the last foregoing section or any regulation made under this Act has been committed by a body corporate, every person who at the time of the commission of, the offence was a director, general manager, secretary or other similar officer of the body corporate, or was purporting to act in any such capacity, shall be deemed to be guilty of that offence unless he proves that the offence was committed without his consent or connivance and that he exercised all such diligence to prevent the commission of the offence as he ought to have exercised having regard to the nature of his functions in that capacity and to all the circumstances.

## **63 Service of notices, etc.**

Any notice or other document required or authorised to be given, delivered or served under this Act or regulations or orders made thereunder or under any enactment applied by or incorporated with this Act may be given, delivered or served either—

- (a) by delivering it to the person to whom it is to be given or delivered or on whom it is to be served, or
- (b) by leaving it at the usual or last known place of abode of that person; or
- (c) by sending it in a prepaid registered letter addressed to that person at his usual or last known place of abode; or
- (d) in the case of an incorporated company or body, or the arbitration tribunal, by delivering it to the secretary or clerk of the company, body or tribunal at their registered or principal office or sending it in a prepaid registered letter addressed to the secretary or clerk of the company, body or tribunal at that office; or
- (e) if it is not practicable after reasonable enquiry to ascertain the name or address of a person to whom it should be given or delivered, or on whom it should be served, as being a person having any interest in land, by addressing it to him by the description of the person having that interest in the premises (naming them) to which it relates, and delivering it to some person on the premises, or, if there is no person on the premises to whom it can be delivered, affixing it, or a copy of it, to some conspicuous part of the premises.

## **64 Provisions as to regulations and orders.**

- (1) Any power conferred by this Act to make regulations or orders shall include power to provide by those regulations or orders for the determination of questions of fact

or of law which may arise in giving effect to the regulations- or orders and for regulating (otherwise than in relation to any court proceedings) any matters relating to the practice and procedure to be followed in connection with the determination of such questions, including provision as to the mode of proof of any matters and provision as to parties and their representation and provision for the right to appear and be heard (as well in court proceedings as otherwise) of the Minister or other authorities, and as to awarding costs of proceedings for the determination of such questions, determining the amount thereof and the enforcement of awards thereof.

- (2) Any power conferred by this Act to prescribe by regulations or orders a period within which things are to be done shall include power to provide by those regulations or orders for extending the period so prescribed.
- (3) All orders and regulations made under this Act, not being orders or regulations required to be laid before Parliament in draft or orders subject to special parliamentary procedure, shall be laid before Parliament immediately after they are made and if either House, within a period of forty days beginning with the day on which any such order or regulations is or are so laid before it, resolves that the order or regulations be annulled, the order or regulations shall thereupon cease to have effect, but without prejudice to the validity of anything previously done thereunder or to the making of any new order or regulations.
- (4) In reckoning for the purposes of the last foregoing subsection any such period of forty days, no account shall be taken of any time during which Parliament is dissolved or prorogued, or during which both Houses are adjourned for more than four days.
- (5) Notwithstanding anything in subsection (4) of section one of the Rules Publication Act, 1893, orders and regulations made under this Act shall be deemed not to be, or to contain, statutory rules to which that section applies.
- (6) In the case of orders defining or varying the areas for which Area Boards are established under this Act, copies of the maps by reference to which those areas are defined by the orders shall be made available, during the period for which the orders or drafts thereof are laid before Parliament, for inspection by members of each House of Parliament.
- (7) Any order made under any such power may be revoked or varied by a subsequent order made in the like manner and subject to the like conditions.

## **65 Expenses of the Minister.**

Any administrative expenses incurred by the Minister or any other Minister of the Crown or Government department under this Act shall be paid out of moneys provided by Parliament, and any sums received by the Minister or by any other . Minister of the Crown or Government department under or by virtue of this Act shall be paid into the Exchequer.

## **66 Inquiries.**

- (1) The Minister or the Secretary of State may cause an inquiry to be held in any case when he deems it advisable to do so in connection with any matter arising under this Act (including any enactment incorporated therewith) or the Electricity (Supply) Acts, 1882 to 1936, or the Act of 1943.

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- (2) Subsections (2) to (5) of section two hundred and ninety of the Local Government Act, 1933, shall apply to any inquiry held by the Minister in England and Wales in pursuance of this section, and shall have effect as if the expression " department " included the Minister, and the provisions of the Sixth Schedule to the Act of 1943 shall apply to any inquiry held in Scotland, whether by the Minister or the Secretary of State, in pursuance of this section in like manner as those provisions apply to any inquiry held by the Secretary of State for the purposes of that Act:

Provided that no local authority shall be ordered to pay costs under subsection (4) of the said section two hundred and ninety in the case of any inquiry unless they are a party thereto.

## 67 Interpretation.

- (1) In this Act, except where the context otherwise requires, the following expressions have the meanings hereby respectively assigned to them, that is to say—

" the Act of 1943 " means the Hydro-Electric Development (Scotland) Act, 1943;

" arbitration tribunal " means the tribunal established under section thirty-one of this Act;

" Area Board " has the meaning assigned to it by section one of this Act;

" authorised undertakers " means the bodies specified in the Second Schedule to this Act, and any reference in this Act to the capacity of a local authority or a composite company as authorised undertakers shall be construed as a reference to their capacity as a body authorised by any enactment to supply electricity in an area of supply;

" bulk supply " means a supply of electricity to be used for the purposes of distribution;

" Central Authority " has the meaning assigned to it by section one of this Act;

" company " means a company incorporated by any enactment and a company within the meaning of the Companies Act, 1929;

" Electricity Board " has the meaning assigned to it by section one of this Act;

" electricity holding company " has the meaning assigned to it by section thirteen of this Act;

" electrical fittings " means electric lines, fittings, apparatus and appliances designed for use by consumers of electricity for lighting, heating, motive power and other purposes for which electricity can be used;

" electric line " has the same meaning as in the Electric Lighting Act, 1882;

" electrical plant " means any plant, equipment, apparatus and appliances used for the purposes of generating, transmitting and distributing electricity, but not including any electrical fittings;

" emoluments " includes any allowances, privileges or benefits, whether obtaining legally or by customary practice;

" employed " means employed as an officer and " employment " shall be construed accordingly;

" enactment " means a public general Act, a local, private or personal Act, a provisional order confirmed by an Act, and any regulation or order made under any enactment, or any provision contained in any such Act, provisional



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order, regulation or order, and also includes any deed of transfer whereby statutory powers have been transferred to any authorised undertakers;

" financial year, "—

(a) in relation to the North of Scotland Board, means the financial year determined by the Secretary of State under section fifteen of the Act of 1943;

(b) in relation to any other Electricity Board, means a period of twelve months ending with a day to be prescribed, so however that the first financial year shall be the period beginning with the passing of this Act and ending with the first occurrence of the prescribed day, and, in case of any alteration of the prescribed day, the duration of the financial year as to which the alteration is first to have effect shall be shortened or extended as may be prescribed, by not more than six months, so as to end on the new prescribed day; and

(c) in relation to any body to whom Part II of this Act applies, other than a local authority, means the period of twelve months for which the accounts of the body are normally made up;

" functions " means duties and powers;

" generating station " has the same meaning as in the Electricity (Supply) Act, 1919;

" holding company " shall be construed in accordance with the definition contained in the Companies Act, 1947;

" joint board of local authorities " means a joint board constituted under section eight of the Electric Lighting Act, 1909, or by a local enactment;

" lease " includes an agreement for a lease and any tenancy agreement;

" loan ", in relation to a local authority, means a loan raised by the issue of securities or by a mortgage created under Part IX of the Local Government Act, 1933, or any similar enactment, and a loan advanced by the Public Works Loan Commissioners on the security of a mortgage;

" local authority " means the council of a county borough, county district or metropolitan borough, and the Common Council of the City of London, and includes, in section seven of this Act, the council of a county, and also includes in any other provision of this Act except the said section seven any joint board of local authorities having functions as authorised undertakers and also other functions;

" local enactment " means any enactment except a public general Act;

" main transmission lines " has the same meaning as in the Electricity (Supply) Act, 1919;

" Minister " means the Minister of Fuel and Power;

" net revenue ", in relation to any body, means the revenue of that body, after deducting therefrom all charges which are proper to be made to revenue account, including, in particular, proper provision for the redemption of capital and proper provision for depreciation of assets or for renewal of assets, but not including provision for interest on debentures and debenture stock;

" North of Scotland Board " means the North of Scotland Hydro-Electric Board constituted under the Act of 1943;

" North of Scotland District " means the area defined in the Second Schedule to the Act of 1943, subject to any order made under Part I of this Act varying that area;

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" officer " includes a managing director and a director whose functions are substantially those of an employee but not any other director, and also includes a servant;

" pension ", in relation to any person, means a pension, whether contributory or not, of any kind whatsoever payable to or in respect of him, and includes a gratuity so payable and a return of contributions to a pension fund, with or without interest thereon or any other addition thereto;

" pension fund " means a fund established for the purposes of paying pensions;

" pension rights " includes, in relation to any person, all forms of right to or eligibility for the present or future payment of a pension to or in respect of that person, and any expectation of the accruer of a pension to or in respect of that person under any customary practice and includes a right of allocation in respect of the present or future payment of a pension;

" pension scheme " includes any form of arrangements for the payment of pensions, whether subsisting by virtue of an Act, trust, contract or otherwise;

" power station company " has the meaning assigned to it by section thirteen of this Act;

" prescribed " means prescribed by regulations;

" railway undertakers " means any body authorised by any enactment to carry goods and passengers by railway;

" regulations " means regulations made by the Minister;

" securities ", in relation to a body corporate, means any shares, stock, debentures and debenture stock of the body corporate, and also includes any mortgages of the body which were quoted in the Stock Exchange Official Daily List (within the meaning of section twenty of this Act) on all six of the dates first mentioned in subsection (2.) of that Section, and " holder of securities ", in relation to any body to whom Part II of this Act applies, means, except in the provisions relating to the appointment of the stockholders' representative, a person who, immediately before the vesting date, was the holder of securities of that body, or his successor in title;

" stockholders' representative " has the meaning assigned to it by section twenty-one of this Act;

" subsidiary company " shall be construed in accordance with the definition contained in the Companies Act, 1947;

" vesting date " has the meaning assigned to it by subsection (1) of section fourteen of this Act.

(2) The definitions of "the Act of 1943 ", " electrical fittings ", "the North of Scotland Board " and " the North of Scotland District " shall apply for the purposes of any amendment made by this Act in any other enactment.

(3) References in this Act to any other enactment shall be construed as references to that enactment as amended by or under any other enactment, including this Act.

## **68 Application to Scotland.**

(1) The provisions of this section shall (in addition to the provisions of this Act relating to the North of Scotland District) have effect for the purpose of the application of this Act to Scotland.

- (2) For any reference to the Minister of Health there shall be substituted a reference to the Secretary of State, and for any reference to the Acquisition of Land (Authorisation Procedure) Act, 1946, there shall be substituted a reference to the Acquisition of Land (Authorisation Procedure) (Scotland) Act, 1947.
- (3) The expression " easement " means servitude; the expression " mortgage " includes a heritable security; the expression " local authority " means a county or town council; the expression " disclaim " includes abandon, and the expression " disclaimer " shall be construed accordingly; and for any reference to the transfer of stock or the payment of money into Court there shall be substituted a reference to the deposit of a stock certificate or the consignment of money in a bank subject to the orders of the Court of Session.
- (4) Any reference to a Bill in Parliament shall include a reference to an order under the Private Legislation Procedure (Scotland) Act, 1936.
- (5) Regulations under subsection (g) of section fourteen of this Act may include provision for the completion of the title of any Electricity Board to heritable property in Scotland vesting in them by virtue of this Act by the execution and recording in the General Register of Sasines of conveyances or instruments relating to such property.
- (6) Sections eighteen and twenty-nine of this Act shall have effect as if for any reference to the Law Reform (Frustrated Contracts) Act, 1943, there were substituted a reference to the common law of Scotland with regard to the frustration of contracts.
- (7) Any order of the arbitration tribunal may be recorded for execution in the books of Council and Session and shall be enforceable accordingly.
- (8) It shall be the duty of the Assessor of Public Undertakings (Scotland) to ascertain and fix the value of all lands and heritages in Scotland belonging to or leased by the Central Authority or any Area Board (other than dwelling-houses or lands and heritages which are let by the said Authority or any such Board, or are not used or adapted for use for the purposes of their functions with regard to the generation or supply of electricity), and for that purpose the provisions of the Lands Valuation (Scotland) Act, 1854, and the Acts amending it shall apply in like manner as that Act as so amended applies in relation to the valuation of the lands and heritages belonging to any company or body which it is the duty of the Assessor to value.

## **69 Short title and extent.**

- (1) This Act may be cited as the Electricity Act, 1947.
- (2) This Act shall not extend to Northern Ireland.