



Electricity Act 1947

1947 CHAPTER 54

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,

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may serve on the Minister, not later than two months after the passing of this Act, a 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

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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;

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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 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.

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- (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.
- (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.

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- (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

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- 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;
 - (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

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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.

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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:

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 (11) 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.

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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

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- (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 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

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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.