



Electricity Act 1947

1947 CHAPTER 54

PART II

ACQUISITION OF ELECTRICITY UNDERTAKINGS.

Vesting of Assets.

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—

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- (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 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

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- 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.
- (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)

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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.