



Electricity Act 1947

1947 CHAPTER 54

PART II

ACQUISITION OF ELECTRICITY UNDERTAKINGS.

Vesting of Assets.

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

Status: This is the original version (as it was originally enacted). This item of legislation is currently only available in its original format.

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.