

SCHEDULES

SCHEDULE 8

Section 67(3).

TRANSITIONAL PROVISIONS AND SAVINGS

PART I

PROVISIONS AND SAVINGS COMING INTO FORCE ON APPOINTED DAY

- 1 (1) A notification received or given by the Secretary of State under subsection (1) of section 29A of the 1972 Act which is effective on the appointed day shall have effect as if received or given by the Secretary of State under subsection (1) of section 6 of this Act; and the provisions of this Act shall apply accordingly.
- (2) A direction given by the Secretary of State under subsection (2) of the said section 29 A which is effective on the appointed day shall have effect as if given by the Secretary of State under subsection (2) of the said section 6; and the provisions of this Act shall apply accordingly.
- 2 A consent given or having effect as if given under section 29 of the 1972 Act by the Secretary of State which is effective on the appointed day shall have effect as an authorisation granted by the Secretary of State under section 8 of this Act; and the provisions of this Act shall apply accordingly.
- 3 Any regulations made under section 25 of the 1972 Act which are effective on the appointed day shall have effect as if—
 - (a) they were made under section 12 of this Act; and
 - (b) references in those regulations to the Corporation were references to a public gas supplier within the meaning of Part I of this Act;and the provisions of this Act shall apply accordingly.
- 4 Any regulations made or having effect as if made under section 29B of the 1972 Act which are effective on the appointed day shall have effect as if—
 - (a) they were made under section 16 of this Act; and
 - (b) references in those regulations to the Corporation were references to a public gas supplier within the meaning of Part I of this Act;and the provisions of this Act shall apply accordingly.
- 5 Any meter which immediately before the appointed day is, or is treated as, stamped under section 30 of the 1972 Act shall be treated as stamped under section 17 of this Act.
- 6 (1) This paragraph applies to any regulations made or having effect as if made under section 31 of the 1972 Act which—
 - (a) are effective on the appointed day; and
 - (b) do not make such provision as is mentioned in subsections

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- (2) Any regulations to which this paragraph applies shall have effect as if made under section 15 of the Health and Safety at Work etc. Act 1974 for the general purpose mentioned in section 18(1) of this Act; and, subject to sub-paragraph (3) below, the provisions of Part I of that Act and the provisions of this Act shall apply accordingly.
- (3) Section 1(2) of the said Act of 1974 shall have effect as if any regulations to which this paragraph applies were in force under an enactment specified in the third column of Schedule 1 to that Act
- (4) Section 20 of the said Act of 1974 shall have effect as if anything done before the appointed day in contravention of any regulations to which this paragraph applies had been done on or after that day.
- 7 (1) A direction given by the Secretary of State under section 17 of the Oil and Gas (Enterprise) Act 1982 which is effective on the appointed day shall have effect as if given by the Director under section 19 of this Act; and the provisions of this Act shall apply accordingly.
- (2) Any reference in a deed or other instrument to the functions of the Corporation shall be taken to include a reference to any obligations arising under an agreement entered into by the Corporation in pursuance of directions given or having effect as if given under section 19 of this Act.
- 8 (1) A notice given to the Secretary of State under subsection (1) of section 15 of the Oil and Gas (Enterprise) Act 1982 which is effective on the appointed day shall have effect as if given to the Director under subsection (1) of section 20 of this Act and as if any map accompanying that notice and complying with the requirements of subsection (2) of the said section 15 complied with the requirements of subsection (2) of the said section 20; and the provisions of this Act shall apply accordingly.
- (2) A notice published by the Secretary of State under section 15(3) of the said Act of 1982 which is effective on the appointed day shall have effect as if published by the Director under section 20(3) of this Act; and the provisions of this Act shall apply accordingly.
- (3) A direction given by the Secretary of State under section 15(4) of the said Act of 1982 which is effective on the appointed day shall have effect as if given by the Director under section 20(4) of this Act; and the provisions of this Act shall apply accordingly.
- 9 A direction given by the Secretary of State under section 16(1) of the Oil and Gas (Enterprise) Act 1982 which is effective on the appointed day shall have effect as if given by the Director under section 21(1) of this Act; and the provisions of this Act shall apply accordingly.
- 10 Any maximum prices fixed by the Corporation under paragraph 12 of Schedule 4 to the 1972 Act which are effective on the appointed day shall have effect as if fixed by the Director under section 37 of this Act.
- 11 Any office fixed or address published before the appointed day for the purposes of section 44 of the 1972 Act shall be deemed on and after that day to have been fixed or published for the purposes of section 46(3) of this Act.
- 12 (1) Where immediately before the appointed day there is in force an agreement which—
- (a) confers or imposes on the Corporation any rights or liabilities ; and

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(b) refers (in whatever terms and whether expressly or by implication) to any provision of the 1972 Act, to the Corporation's statutory gas undertaking or to statutory purposes,

the agreement shall have effect, in relation to anything falling to be done on or after that day, as if for that reference there were substituted a reference to the corresponding provision of this Act, to the Corporation's undertaking as a public gas supplier or, as the case may require, to purposes connected with the supply of gas through pipes to premises in the Corporation's authorised area.

- (2) In this paragraph "authorised area" and "public gas supplier" have the same meanings as in Part I of this Act.
- (3) References in this paragraph to an agreement include references to a deed, bond or other instrument.

13 Where—

- (a) any sum was deposited with the Corporation by way of security under any provision of the 1972 Act; and
- (b) on and after the appointed day that sum is treated by the Corporation as deposited under any provision of this Act,

any period beginning three months or less before that day, being a period during which the sum was deposited with the Corporation, shall be treated for the purposes of the payment of interest on that sum as a period during which the sum was deposited under that provision of this Act.

14 The repeal by this Act of section 43 of the 1972 Act shall not affect the operation of that section in relation to offences committed before the appointed day.

15 The repeal by this Act of section 46 of the 1972 Act shall not affect the operation of that section as applied by section 22 of the Gas Act 1965.

16 The repeal by this Act of Schedule 4 to the 1972 Act shall not affect the operation on or after the appointed day of so much of that Schedule as relates to the determination by arbitration of any matter which immediately before that day falls to be determined by arbitration under that Schedule.

17 The repeal by this Act of any provision by virtue of which any enactment applies in relation to a person carrying on a gas undertaking shall not affect the continuing validity of anything done under that enactment before the appointed day; and that enactment shall continue for the purposes of anything so done to have effect on and after that day as if the enactment continued to apply in relation to the Corporation and, after the transfer date, to the successor company as it applied in relation to the Corporation before the appointed day.

PART II

PROVISIONS AND SAVINGS COMING INTO FORCE ON TRANSFER DATE

18 An authorisation granted under section 7 of this Act to the Corporation which is effective on the transfer date shall have effect as if granted to the successor company.

19 A declaration made by the Corporation in accordance with regulations made, or having effect as if made, under section 12(3) of this Act which is effective on the transfer date shall have effect as if made by the successor company.

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- 20 A tariff fixed, or having effect as fixed, under section 14(1) of this Act by the Corporation which is effective on the transfer date shall have effect as if fixed by the successor company.
- 21 A direction given, or having effect as if given, under section 19 of this Act to the Corporation which is effective on the transfer date shall have effect as if given to the successor company.
- 22 (1) A notice given, or having effect as if given, under section 20(1) of this Act by the Corporation which is effective on the transfer date shall have effect as if given by the successor company.
- (2) A direction given, or having effect as if given, under section 20(4) of this Act to the Corporation which is effective on the transfer date shall have effect as if given to the successor company.
- 23 A direction given, or having effect as if given, under section 21(1) of this Act to the Corporation which is effective on the transfer date shall have effect as if given to the successor company.
- 24 Any office fixed or address published by the Corporation for the purposes of section 46(3) of this Act, and any office or address having effect as if so fixed or published, shall be deemed on and after the transfer date to have been so fixed or published by the successor company.
- 25 A direction given under section 63 of this Act to the Corporation which is effective on the transfer date shall have effect as if given to the successor company.
- 26 A compulsory purchase order made by the Corporation which was made, or has effect as if made, by virtue of Schedule 3 to this Act and is effective on the transfer date shall have effect as if made by the successor company.
- 27 (1) Where immediately before the transfer date there is in force an agreement which—
- (a) confers or imposes on the Corporation any rights or liabilities which vest in the successor company by virtue of section 49 of this Act; and
 - (b) refers (in whatever terms and whether expressly or by implication) to a member or officer of the Corporation,
- the agreement shall have effect, in relation to anything falling to be done on or after that date, as if for that reference there were substituted a reference to such person as that company may appoint or, in default of appointment, to the officer of that company who corresponds as nearly as may be to the member or officer of the Corporation in question.
- (2) References in this paragraph to an agreement include references to a deed, bond or other instrument.
- 28 (1) Any agreement made, transaction effected or other thing done by, to or in relation to the Corporation which is in force or effective immediately before the transfer date shall have effect as if made, effected or done by, to or in relation to the successor company, in all respects, as if the successor company were the same person, in law, as the Corporation, and accordingly references to the Corporation—
- (a) in any agreement (whether or not in writing) and in any deed, bond or instrument;
 - (b) in any process or other document issued, prepared or employed for the purposes of any proceeding before any court or other tribunal or authority; and

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- (c) in any other document whatsoever (other than an enactment) relating to or affecting any property, right or liability of the Corporation which vests by virtue of section 49 of this Act in the successor company, shall be taken as referring to the successor company.
- (2) Nothing in sub-paragraph (1) above shall be taken as applying in relation to any agreement made, transaction effected or other thing done with respect to any right or liability of the Corporation which vests by virtue of section 50 of this Act in the Treasury.
- 29 It is hereby declared for the avoidance of doubt that—
- (a) the effect of section 49 of this Act in relation to any contract of employment with the Corporation in force immediately before the transfer date is merely to modify the contract by substituting the successor company as the employer (and not to terminate the contract or vary it in any other way); and
- (b) that section is effective to vest the rights and liabilities of the Corporation under any agreement or arrangement for the payment of pensions, allowances or gratuities in the successor company along with all other rights and liabilities of the Corporation;
- and accordingly any period of employment with the Corporation or a wholly owned subsidiary of the Corporation shall count for all purposes as a period of employment with the successor company or (as the case may be) a wholly owned subsidiary of the successor company.
- 30 (1) Any certificate issued or other thing done in pursuance of any regulation made or having effect as if made under section 21 of the 1972 Act which is in force or effective immediately before the transfer date shall have effect as if issued or done in pursuance of the corresponding enactment, regulation or rule relating to securities issued under the National Loans Act 1968.
- (2) Any agreement made, transaction effected or other thing done in relation to any British Gas 3% Guaranteed Stock, 1990-95 which is in force or effective immediately before the transfer date shall have effect as if made, effected or done in relation to that Stock as renamed under subsection (3) of that section and, accordingly, references to that Stock in any agreement (whether or not in writing) or in any deed, bond, instrument or other document whatsoever shall be taken as referring to that Stock as so renamed.
- (3) In this paragraph " British Gas Stock " has the same meaning as in section 50 of this Act.
- 31 (1) It shall be the duty of the Corporation and of the successor company to take, as and when during the transitional period the successor company considers appropriate, all such steps as may be requisite to secure that the vesting in the successor company by virtue of section 49 of this Act or this paragraph of any foreign property, right or liability is effective under the relevant foreign law.
- (2) During the transitional period, until the vesting in the successor company by virtue of section 49 of this Act or this paragraph of any foreign property, right or liability is effective under the relevant foreign law, it shall be the duty of the Corporation to hold that property or right for the benefit of, or to discharge that liability on behalf of, the successor company.
- (3) Nothing in sub-paragraphs (1) and (2) above shall be taken as prejudicing the effect under the law of the United Kingdom or of any part of the United Kingdom of the

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vesting in the successor company by virtue of section 49 of this Act or this paragraph of any foreign property, right or liability.

- (4) The Corporation shall have all such powers as may be requisite for the performance of its duty under this paragraph, but—
- (a) it shall be the duty of the successor company during the transitional period to act on behalf of the Corporation (so far as possible) in performing the duty imposed on the Corporation by this paragraph ; and
 - (b) any foreign property, rights and liabilities acquired or incurred by the Corporation during that period shall immediately become property, rights and liabilities of the successor company.
- (5) References in this paragraph to any foreign property, right or liability are references to any property, right or liability as respects which any issue arising in any proceedings would have been determined (in accordance with the rules of private international law) by reference to the law of a country or territory outside the United Kingdom.
- (6) Any expenses incurred by the Corporation under this paragraph shall be met by the successor company.
- 32 (1) Notwithstanding the repeal by this Act of section 8 of the 1972 Act, it shall be the duty of the Corporation to make a report to the Secretary of State in accordance with that section in respect of each financial year of the Corporation ending before the transfer date.
- (2) Notwithstanding the repeal by this Act of section 23 of that Act, it shall be the duty of the Corporation to prepare statements of accounts in accordance with subsection (1) (b) and (2) of that section in respect of each financial year of the Corporation ending before the transfer date, and that section shall continue to apply during the transitional period in relation to those statements and in relation also to the auditing of those statements and of accounts kept in accordance with subsection (1)(a) of that section in respect of that financial year.
- (3) Any expenses incurred by the Corporation under this paragraph shall be met by the successor company.
- 33 Where by virtue of anything done before the transfer date, any enactment amended by Schedule 7 to this Act has effect in relation to the Corporation, that enactment shall have effect in relation to the successor company as if that company were the same person, in law, as the Corporation.
- 34 Every provision contained in a local Act, or in subordinate legislation, which is in force immediately before the transfer date and then applicable to the Corporation shall have effect as if—
- (a) for references therein to the Corporation there were substituted references to the successor company; and
 - (b) for any reference (however worded and whether expressly or by implication) to the undertaking or business, or any part of the undertaking or business, of the Corporation there were substituted a reference to the undertaking or business, or the corresponding part of the undertaking or business, of the successor company.
- 35 (1) Nothing in this Act shall affect the validity of anything done by, or in relation to, the Corporation before the transfer date under or by virtue of the Public Utilities Street Works Act 1950 ; and anything which, immediately before that date, is in process

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- of being done under, or by virtue of, that Act by or in relation to it (including, in particular, any legal proceedings to which it is a party) may be continued by, or in relation to, the successor company.
- (2) Any notice or direction given or other thing whatsoever done under the said Act of 1950 by the Corporation shall, if effective at the transfer date, continue in force and have effect as if similarly given or done by the successor company.
- 36 (1) For the purposes of section 33 of the General Rate Act 1967 (public gas suppliers) the successor company shall be treated as if it were the same person as the Corporation.
- (3) An order under subsection (5) of that section which applies in relation to hereditaments occupied by the Corporation and is effective on the transfer date shall have effect as if it applied to the corresponding hereditaments occupied by the successor company.
- 37 (1) Where an asset, or the right to receive an asset, vests in the successor company by virtue of section 49 of this Act, then for the purposes of Part I of the Industry Act 1972 and Part II of the Industrial Development Act 1982—
- (a) so much of any expenditure incurred by the Corporation in providing that asset as is approved capital expenditure (of any description relevant for the purposes of regional development grant) in respect of which no payment of regional development grant has been made to the Corporation shall be treated as having been incurred by the successor company and not by the Corporation ; and
- (b) where the asset itself vests in the successor company by virtue of section 49 of this Act, it shall be treated as a new asset if it would have fallen to be so treated if it had remained vested in the Corporation.
- (2) In this paragraph " regional development grant" means a grant under Part I of the Industry Act 1972 or Part II of the Industrial Development Act 1982 and "approved capital expenditure" has the same meaning as it has for the purposes of the provisions relating to regional development grant
- 38 An order under section 19 of the Local Government Act 1974 (rating of certain public utilities and other bodies) which applies in relation to hereditaments occupied by the Corporation and is effective on the transfer date shall have effect as if it applied to the corresponding hereditaments occupied by the successor company.
- 39 An order under section 6 of the Local Government (Scotland) Act 1975 (valuation by formula of certain lands and heritages) which applies in relation to lands and heritages occupied by the Corporation and is effective on the transfer date shall have effect as if it applied in relation to the corresponding lands and heritages occupied by the successor company.
- 40 The repeal by this Act of section 10 of and Schedule 1 to the Oil and Gas (Enterprise) Act 1982 shall not affect the operation of any scheme made under that section before the transfer date.
- 41 (1) Where a distribution is proposed to be declared during the accounting reference period of the successor company which includes the transfer date or before any accounts are laid or filed in respect of that period, sections 270 to 276 of the Companies Act 1985 (accounts relevant for determining whether a distribution may be made by a company) shall have effect as if—
- (a) references in section 270 to the company's accounts or to accounts relevant under that section ; and

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(b) references in section 273 to initial accounts, included references to such accounts as, on the assumptions stated in subparagraph (2) below, would have been prepared under section 227 of that Act in respect of the relevant year.

(2) The said assumptions are—

- (a) that the relevant year had been a financial year of the successor company;
- (b) that the vesting effected by section 49 of this Act had been a vesting of all the property, rights and liabilities (other than any rights or liabilities which vest in the Treasury by virtue of section 50 of this Act) to which the Corporation was entitled or subject immediately before the beginning of the relevant year and had been effected immediately after the beginning of that year ;
- (c) that the value of any asset and the amount of any liability of the Corporation vested in the successor company by virtue of that section had been the value or (as the case may be) the amount assigned to that asset or liability for the purposes of the statement of accounts prepared by the Corporation in respect of the financial year immediately preceding the relevant year ;
- (d) that any securities of the successor company issued or allotted before the declaration of the distribution had been issued or allotted before the end of the relevant year ; and
- (e) such other assumptions (if any) as may appear to the directors of the successor company to be necessary or expedient for the purposes of this paragraph.

(3) For the purposes of the said accounts the amount to be included in respect of any item shall be determined as if anything done by the Corporation (whether by way of acquiring, revaluing or disposing of any asset or incurring, revaluing or discharging any liability, or by carrying any amount to any provision or reserve, or otherwise) had been done by the successor company.

Accordingly (but without prejudice to the generality of the preceding provision) the amount to be included in any reserves of the successor company as representing its accumulated realised profits shall be determined as if any profits realised and retained by the Corporation had been realised and retained by the successor company.

(4) The said accounts shall not be regarded as statutory accounts for the purposes of section 55 of this Act.

(5) In this paragraph—

- "complete financial year" means a financial year ending with 31st March ;
- "the relevant year" means the last complete financial year of the Corporation ending before the transfer date ;
- " securities " has the same meaning as in Part II of this Act.