

Electricity (Supply) Act, 1926.

[16 & 17 GEO. 5. CH. 51.]

ARRANGEMENT OF SECTIONS.

A.D. 1926.

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[*Price 1s. Net.*]

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[CH. 51.] *Electricity (Supply)* [16 & 17 GEO. 5.]
 Act, 1926.

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CHAPTER 51.

An Act to amend the law with respect to the supply of electricity. [15th December 1926.] A.D. 1926. ---

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows :—

CONSTITUTION AND GENERAL POWERS OF CENTRAL ELECTRICITY BOARD.

1.—(1) For the purposes of this Act there shall be established as soon as may be after the passing of this Act a body to be called the Central Electricity Board (in this Act referred to as the Board), consisting of a chairman and seven other members appointed by the Minister of Transport after consultation with such representatives or bodies representative of the following interests as the Minister thinks fit, that is to say, local government, electricity, commerce, industry, transport, agriculture, and labour.

Constitution
of Central
Electricity
Board.

(2) A person shall be disqualified for being appointed or being chairman or a member of the Board so long as he is a Member of the Commons House of Parliament.

(3) The chairman of the Board and any member of the Board who is, by the terms of his appointment, required to devote the whole of his time to the performance of his duties under this Act shall, within three months after his appointment, sell any securities which he may hold in his own name or in the name of a nominee for his own benefit in any company carrying on

A.D. 1926. — the business of supplying electricity or the manufacture or sale of machinery or plant for the generation or transmission of electricity; and it shall not be lawful for the chairman or any such member of the Board whilst he holds office to purchase for his own benefit any securities in any such company, and if the chairman or any such member of the Board under any will or succession becomes entitled for his own benefit to any securities in any such company, he shall sell them within three months after he has so become entitled thereto.

(4) Any member of the Board shall, if he is interested in any company with which the Board has or proposes to make any contract, disclose to the Board the fact and nature of his interest, and shall take no part in any deliberation or decision of the Board relating to such contract, and such disclosure shall be forthwith recorded in the minutes of the Board.

(5) Where the chairman or other member of the Board becomes disqualified for holding office or is absent from the meetings of the Board for more than six months consecutively, except for some reason approved by the Minister of Transport, or fails to comply with the foregoing provisions of this section, the Minister of Transport shall forthwith declare the office to be vacant, and shall notify the fact in such manner as he thinks fit, and thereupon the office shall become vacant.

(6) The Board shall be a body corporate with power to hold land without licence in mortmain and shall have power to regulate their own procedure :

Provided that the quorum of the Board shall not be less than one-third of the full number of the Board.

(7) The Board may act notwithstanding a vacancy in their number.

(8) A person appointed to be the chairman or to be a member of the Board shall hold office for such term not less than five years nor more than ten years as may be determined by the Minister before his appointment.

(9) The Board shall appoint a secretary and such other officers and servants as the Board may determine, and there shall be paid out of the fund hereinafter established to the members of the Board, or any of them, such salaries or fees and allowances for expenses as the

Minister of Transport may determine, and to the secretary, officers and servants of the Board such salaries and remuneration, and, on retirement or death, such pensions and gratuities, as the Board may determine; and any expenses incurred by the Board in the exercise and performance of their powers and duties under this Act shall be defrayed out of the said fund. A.D. 1926.

(10) The Board shall have a common seal, and the seal of the Board shall be authenticated by the signature of the chairman of the Board or some other member of the Board authorised by the Board to act in that behalf, and of the secretary, or some other person authorised by the Board to act in that behalf.

(11) Every document purporting to be an order or other instrument issued by the Board and to be sealed with the seal of the Board authenticated in manner provided by this section, or to be signed by the secretary or any person authorised to act in that behalf, shall be received in evidence and be deemed to be such order or instrument without further proof unless the contrary is shown.

2.—(1) The Board shall be charged with the duty of supplying electricity to authorised undertakers in accordance with the provisions of this Act, but shall not, save as hereinafter expressly provided, themselves generate electricity, and the Board shall have such further powers and duties as are provided by this Act. General powers and duties of Board.

(2) It shall be lawful for the Board to enter into arrangements with any authorised undertakers for the delegation to them of any of the powers of the Board under this Act which the Board think can more expediently be exercised locally.

(3) Where proposals are made to the Board by any association of owners of generating stations which, by virtue of this Act, become selected stations within an area for which a scheme has been adopted under this Act for the delegation to the association of any powers and duties of the Board within that area, then, if the Board are satisfied that the association making the proposals is a fit and proper body to carry out those powers and duties, the Board shall comply with the proposals if and so far as they consider it practicable to do so without prejudice to the efficient discharge of the general duties of the Board, or to the efficient execution

A.D. 1926. of the scheme within the area, but subject to such conditions as the Board may think fit to impose.

(4) The Board shall not delegate any of their powers with respect to selected stations without the consent of the owners of those stations, nor shall they delegate their power of adopting schemes or fixing a tariff under this Act.

Appoint-
ment of
consulta-
tive techni-
cal com-
mittees.

3.—(1) The Board may appoint one or more consultative technical committees consisting of engineers employed in connection with undertakings comprising generating stations which are by virtue of this Act for the time being selected stations.

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(2) A consultative technical committee shall give advice and assistance on such matters as may be referred to the committee by the Board, and for that purpose the committee shall meet from time to time as the Board may determine.

PROVISIONS AS TO SCHEME.

Preparation
and carry-
ing out of
scheme.

4.—(1) The Electricity Commissioners shall, as soon as practicable, prepare and transmit to the Board a scheme or schemes relating to the respective areas specified therein—

- (a) determining what generating stations (whether existing stations or new stations) shall be the stations (in this Act referred to as selected stations) at which electricity shall be generated for the purposes of the Board ;
- (b) providing for interconnection, by means of main transmission lines to be constructed or acquired by the Board, of selected stations with one another and with the systems of authorised undertakers, and, where the scheme relates to a specified area, for interconnection by means of such lines of the system of the Board in that area with the system of the Board in any other area with respect to which a scheme is then in force or may subsequently be made ;
- (c) providing for such standardisation of frequency as may be essential to the carrying out of the proposals for such interconnection as aforesaid ;

- (d) enabling or requiring temporary arrangements (to be in force during the carrying out of the works specified in the scheme) to be made between the Board and owners of generating stations (whether authorised undertakers or not) with respect to the giving and taking to and by the Board of supplies of electricity, and with respect to the working of generating stations (whether selected stations or not) by the owners thereof; A.D. 1926. —
- (e) containing such supplemental, incidental and consequential provisions as may appear necessary or expedient for any of the purposes aforesaid :

Provided that neither a railway generating station operated by a railway company at the date of the passing of this Act, nor a generating station belonging to any canal, inland navigation, dock or harbour undertakers, and operated by the owners thereof at the date of the passing of this Act, nor a private generating station, shall, without the consent of the owners thereof, be included in the scheme as a selected station, nor shall the owners of such a station be required to enter into any temporary arrangements under a scheme, and a scheme shall not authorise the acquisition of a main transmission line belonging to any such undertakers or the owners of a private generating station without the consent of the owners thereof.

(2) The Board shall cause every scheme to be published, and shall give public notice of the date (not being less than one month from the date of the notice) by which authorised undertakers and other persons interested may make representations thereon, and the Board after considering the scheme and such representations, and after holding such inquiries (if any) as they think fit, may adopt the scheme either without modifications, or subject to such modifications as they think fit, and either generally or as respects any part of the area specified in the scheme, and shall publish the scheme as so adopted by them, and where the scheme has been adopted as respects part of the said area it may subsequently be adopted as respects other parts of the area.

(3) As soon as a scheme is so adopted and published either generally or as respects any part of the area specified therein, it shall be the duty of the Board to

A.D. 1926; — carry out and give effect to the scheme, or to carry out and give effect to the scheme within the said part of the area, as the case may be :

Provided that, if any authorised undertakers on whom obligations are imposed by the scheme consider that the carrying out of those obligations would be prejudicial to them, they may, within one month after the publication of the scheme as adopted, by notice in writing, specifying the nature of the complaint and of the relief sought by them, require the Board to refer the matter complained of to the arbitration of a barrister (or in Scotland an advocate) qualified for appointment to judicial office appointed by the Minister of Transport from panels to be set up by the Lord Chancellor and the Lord President of the Court of Session respectively for the purpose, and the Board shall refer the matter accordingly, unless they amend the scheme by relieving the complainants of such obligations as aforesaid, and shall not, pending the determination of the complaint, unless the complaint is one with respect to which no relief other than pecuniary compensation can be awarded, carry the scheme into effect so far as it affects the complainants.

(4) The arbitrator to whom any such matter is so referred may, in any case in which he thinks it expedient to do so, call in the aid of one or more qualified assessors and hear the case wholly or partially with the assistance of such assessors, and may, if satisfied as to the justice of the complaint, either order such pecuniary compensation to be made to the complainants as seems equitable in all the circumstances or order the scheme to be amended in such manner as he may direct :

Provided that the arbitrator shall not grant any relief other than pecuniary compensation in any case where the Board certify that the grant of such relief would conflict with the basic principles of the scheme or would prejudicially affect the efficiency of the scheme.

(5) A scheme may from time to time be altered or extended by a scheme made and adopted in like manner and subject to the like right of appeal as the original scheme :

Provided that a generating station included in a scheme as a selected station shall not cease to be a selected station without the consent of the owners thereof.

5.—(1) The Board shall make arrangements with the owners of existing generating stations which by virtue of a scheme become selected stations for the stations being operated in accordance with the provisions of this Act, and for such extensions and alterations thereof as may be required by the scheme, and for such additional extensions and alterations as the Board, with the approval of the Electricity Commissioners, may from time to time direct :

A.D. 1926.
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Existing
selected
stations.

Provided that, if the owners of any such station consider that any directions of the Board requiring additional extensions or alterations impose upon them an unreasonable financial burden, the matter shall, if they so require, be referred to the arbitration of a barrister (or in Scotland an advocate) appointed by the Minister of Transport from the appropriate panel set up under section four of this Act, and the arbitrator may in any case in which he thinks it expedient to do so call in the aid of one or more qualified assessors and hear the case wholly or partially with the assistance of such assessors.

(2) If the owners of any such station are unwilling to enter into or fail to carry out any such arrangements to the satisfaction of the Board, the Minister of Transport may by order empower any authorised undertakers or other company or person approved by the Board, or, failing such authorised undertakers, company or person, the Board, to acquire the generating station at a price to be determined in accordance with the provisions of the First Schedule to this Act, but where the generating station is situate in an electricity district for which a joint electricity authority has been constituted that authority shall be given first opportunity to acquire the station, and on payment or tender of such price the Minister of Transport may make an order vesting the generating station in the authorised undertakers, company or person, or the Board :

Provided that an order under this subsection authorising the acquisition of a generating station shall not come into force until it has been laid before each House of Parliament for a period of not less than thirty days on which that House has sat and if either House of Parliament before the expiration of that period presents an address to His Majesty no further proceedings shall be taken thereon.

A.D. 1926.

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(3) Where the Board acquire a generating station under this section, they may carry out such extensions or alterations thereof as are required by the scheme or as they think fit, and may either operate it themselves or make arrangements with any authorised undertakers or other company or person to operate it:

Provided that the Board shall not themselves operate such a generating station unless they satisfy the Electricity Commissioners that they are unable to enter into an arrangement with any authorised undertakers or other company or person to operate it on reasonable terms, and where the generating station is situate in an electricity district for which a joint electricity authority has been constituted, the Board shall first endeavour to enter into arrangements with that authority to operate the station.

New se-
lected
stations.

6.—(1) The Board may make arrangements with any authorised undertakers in whose area of supply, or in the neighbourhood of whose area of supply, any new generating station required by a scheme is to be situated, for the provision of such station.

(2) If the Board satisfy the Electricity Commissioners that they are unable to enter into an arrangement with any such authorised undertakers for the provision of any such new station on reasonable terms, the Commissioners may by a special order under section twenty-six of the *Electricity (Supply) Act, 1919*, authorise the Board or any company or person to provide the station.

9 & 10
Geo. 5.
c. 100.

(3) Where the Board themselves provide a new generating station, they may operate it themselves, or make arrangements with any authorised undertakers or other company or person to operate it:

Provided that the Board shall not themselves operate such a generating station unless they satisfy the Electricity Commissioners that they are unable to enter into an arrangement with any authorised undertakers or other company or person to operate it on reasonable terms.

Obligations
and rights
of owners of
selected
stations.

7.—(1) As from such date as may be fixed by the Board, the owners of a selected station shall be under the obligation—

(a) to operate the station so as to generate such quantity of electricity, at such rates of output,

A.D. 1926.

and at such times as the Board may direct, and to conduct such operations with due regard to economy and efficiency;

- (b) to sell to the Board all electricity generated at the station at such price as is hereinafter mentioned.

(2) The owners of a selected station shall (subject to the provisions of this Act enabling the Board to require authorised undertakers to take the whole of their supply from the Board and without prejudice to the powers of such owners to demand a supply under the other provisions of this Act) be entitled to be supplied by the Board from that station at such price as hereinafter mentioned with such amount of electricity as they may require for the purposes of their undertaking not exceeding the amount generated at the station.

(3) The price to be paid by the Board to the owners of a selected station for electricity generated thereat shall, unless otherwise agreed, be the cost of production to be ascertained in accordance with the rules contained in the Second Schedule to this Act.

(4) The price at which electricity shall be supplied by the Board from a selected station to the owners of that station shall unless otherwise agreed be either—

- (a) the cost of production ascertained in manner provided by subsection (3) of this section adjusted according to the load factor and power factor of the supply given to the owners of the selected station, together with a proper proportion of the Board's expenses other than those incurred by the Board in the purchase or generation of electricity; or

- (b) according to the tariff fixed under this Act for the supply of electricity by the Board;

whichever is the lower.

(5) Where the price to be paid for electricity by or to the Board is to be calculated in accordance with this section, the amount to be paid by or to the Board for a supply in any year shall be ascertained as soon as practicable after the end of the year of account, but the Board shall make to the owners of each selected station monthly payments on account of the net amounts

A.D. 1926. — due from the Board to those owners under this section in accordance with estimates made for the purpose, subject to adjustment as soon after the end of the year of account as the actual liability can be ascertained.

(6) If any question between the Board and the owners of a selected station arises under this section, then, if it relates to the cost of production, it shall be determined by an auditor appointed by the Minister of Transport, and in any other case it shall be determined by the Electricity Commissioners :

Provided that, pending the determination of the question by the auditor or Commissioners, the owners of the station shall comply with any requirements which may be lawfully made by the Board.

15 & 16
Geo. 5.
c. lxii.
15 & 16
Geo. 5.
c. lxiii.

(7) For the purposes of the agreements contained in the Third Schedule to the London Electricity (No. 1) Act, 1925, and the London Electricity (No. 2) Act, 1925, the Board, in relation to the electricity purchased by the Board from the owners of selected stations in pursuance of this section shall not be deemed to be a consumer within the meaning of paragraph three of the schedule to those agreements.

Construc-
tion and
acquisition
of main
transmission
lines.

8.—(1) As soon as may be after a scheme under this Act has been adopted as respects any area or part of an area, the Board shall construct and lay down the main transmission lines required for the interconnection of selected stations with one another and with the systems of authorised undertakers in accordance with the scheme so far as it relates to that area or part of an area.

(2) Where a scheme provides for the acquisition by the Board of any main transmission line belonging to any authorised undertakers, such transmission line shall, on notice being given by the Board to the undertakers and on payment or tender to the undertakers of the price to be determined in accordance with the First Schedule to this Act, vest in the Board upon an order to that effect being made by the Minister of Transport.

(3) Where the Board have so acquired a main transmission line and, by reason of the user thereof by the Board, the alteration or replacement of switch gear or other apparatus of any authorised undertakers connected with the line becomes necessary, the Board shall defray

the reasonable expenses incurred by the undertakers in effecting such alteration or replacement, and any question as to whether such alteration or replacement is necessary, or as to the expenses thereof, shall in default of agreement be determined by an arbitrator appointed by the Minister of Transport. A.D. 1926.

9.—(1) The Board may require any authorised undertakers or the owners of any selected station to amend or alter the frequency employed in their undertaking or station, if and so far as such amendment or alteration is required to effect the standardisation of frequency provided by a scheme, or to effect such standardisation of frequency as the Board with the approval of the Electricity Commissioners may think expedient, subject to the payment to the authorised undertakers or owners of any expenses which they may properly incur in carrying such requirements into effect (including the cost of altering or replacing plant belonging to consumers), and the Board shall, if required, advance free of interest such sums as may be necessary to enable the said authorised undertakers and owners to effect such amendment or alteration, and it shall be the duty of the undertakers or owners to comply with such requirements and they are hereby authorised to do so notwithstanding anything in any special Act or Order relating to their undertaking. Standardisation of frequency.

(2) The payment of any such expenses and the making of such advances shall be purposes for which the Board may borrow under this Act, but such part of the revenue of the Board as is required to meet the interest on and sinking fund charges in respect of money so borrowed shall be excluded in any computation of receipts made in estimating for the purposes of rating the net annual value of hereditaments, or the yearly rent or value of lands and heritages in Scotland, occupied by the Board for the purposes of their undertaking.

(3) The Board shall be entitled to be repaid by the Electricity Commissioners in each year the sums required to meet the interest and sinking fund charges in respect of money so borrowed, and the payment of such sums shall be treated as part of the expenses of the Electricity Commissioners, but shall be shown as a separate item in their accounts and in their demand notes for contributions towards their expenses:

A.D. 1926. Provided that the apportionment of the expenses of
 -- the Electricity Commissioners under this subsection,
12 & 13 instead of being made in accordance with section seven
Geo. 5. c. 46. of the Electricity (Supply) Act, 1922, shall be made on
 the basis of the revenue received from the sale of
 electricity, other than electricity sold in bulk to
 authorised undertakers.

(4) Any question of the amount of the expenses properly incurred by authorised undertakers or owners in carrying out any such requirement shall in default of agreement be determined by the Electricity Commissioners or at the option of the authorised undertakers or owners be referred to the arbitration of a barrister (or in Scotland an advocate) appointed by the Minister of Transport from the appropriate panel set up under section four of this Act, and the arbitrator may, if he thinks it expedient to do so, call in the aid of one or more qualified assessors and hear the case wholly or partially with the assistance of such assessors:

Provided that nothing in this section shall prevent the Board and the authorised undertakers or owners concerned from entering into an agreement fixing the sum to be taken in discharge of the liability of the Board to the undertakers or owners under this section.

(5) Notwithstanding anything in this section—

11 & 12 (a) a railway company shall not be required to
Geo. 5. c. 55. alter the frequency employed by them in their
 undertaking or generating station except by
 an order made in accordance with the provisions of section sixteen of the Railways Act, 1921;

(b) no authorised undertaker from whom any railway company derives a supply of electricity for the purposes of haulage or traction shall be required by the Board to alter the frequency of such supply delivered by them to a railway company unless and until an order as aforesaid has been previously made in respect of the railway company concerned.

(6) Where a scheme under section four of this Act has come into force as respects any area, the powers of the Electricity Commissioners under section twenty-four of the Electricity (Supply) Act, 1919, so far as they

relate to the amendment or alteration of frequency, shall not be exercisable within that area. A.D. 1926.

10.—(1) As soon as the Board, as respects any area or part of an area, notify that they are in a position to supply electricity, the Board shall, subject to the provisions of this Act, be under an obligation to supply either directly or indirectly to any authorised undertakers in that area or part thereof demanding such a supply such an amount of electricity as they require for their undertaking at a price ascertained in accordance with the provisions of this Act :

Obligation
of Board to
supply
electricity
to autho-
rised under-
takers.

Provided that, subject to the provisions of this Act relating to the rights of owners of selected stations, the Board shall not—

- (a) supply electricity directly to authorised undertakers situated in the area of supply of a power company without the consent of the power company unless the undertakers have an absolute right of veto on any right of the power company to supply electricity within the area of supply of those undertakers or any part thereof, or unless the power company are unable or unwilling to supply electricity to such authorised undertakers on reasonable terms and conditions, to be determined in case of dispute by the Electricity Commissioners;
- (b) without the consent of the joint electricity authority, supply electricity directly to any authorised undertakers in the district of a joint electricity authority which the joint electricity authority are authorised to supply ;
- (c) supply electricity directly to any authorised undertakers in the Edinburgh and Lothians electricity district without the consent of the corporation of Edinburgh.

(2) Where any authorised undertakers have demanded such a supply from the Board, and it appears to the Board that the outlay incurred in providing the main transmission lines required for the supply would, having regard to the supply required, entail unreasonable expense on the Board, they may represent the case to the Electricity Commissioners, and the Commissioners may, if it seems to them to be just, authorise the Board

A.D. 1926. — to impose such terms and conditions as the Commissioners think fit, on the giving of the supply.

(3) Where any authorised undertakers owning a generating station, not being a selected station, demand a supply of electricity from the Board, then, whether or not those undertakers are also the owners of a selected station, the Board may make it a condition of furnishing such a supply that the undertakers shall take the whole quantity of electricity required for their undertaking, directly or indirectly, from the Board, and where any such authorised undertakers demand a supply from any other undertakers who themselves receive a supply from the Board, the last-mentioned undertakers shall, if the Board so require, impose the like condition (which condition those undertakers are, if so required, authorised to impose notwithstanding anything in the special Act or order relating to the undertaking):

Provided that—

(a) The Board shall not impose or require the imposition of such a condition unless satisfied that the cost per unit to the undertakers of taking the whole of their supply directly or indirectly from the Board (including any expenditure necessarily incurred by the undertakers in the provision of any plant or apparatus to enable them to use the supply) will for a period of not less than seven years be less than the cost per unit at which electricity is then being produced at the generating station of the undertakers, and in determining such cost of production no account shall be taken of capital charges in respect of capital expended on the station; and

(b) where the authorised undertakers feel aggrieved by the imposition of such a condition as aforesaid, they may appeal to the Electricity Commissioners, who, if and so far as the ground of appeal is that the cost of taking the supply from the Board will not be less than the cost at which electricity is being produced by the undertakers, shall, if so requested by the undertakers, refer that question to the arbitration of a barrister (or

in Scotland an advocate) appointed by the Minister of Transport from the appropriate panel set up under section four of this Act, and the arbitrator may, if he thinks it expedient to do so, call in the aid of one or more qualified assessors and hear the case wholly or partially with the assistance of such assessors; and

A.D. 1926.

- (c) where the Board imposes or requires the imposition of such a condition, the Board shall take over the obligations of any such authorised undertakers to receive supplies of electricity in bulk:

Provided that the Board shall not be obliged to take over any such obligation arising under a contract made after the passing of this Act unless the contract has been approved by the Electricity Commissioners.

(4) The Board may, before the carrying out of the works specified in a scheme in any area is completed, if they think fit, enter into arrangements with any authorised undertakers in the area (being undertakers to whom the Board on the completion of the scheme would be entitled to give a direct supply) for giving those undertakers, pending the completion of the works, a supply of electricity of such amount and upon such terms as may be agreed between them.

11.—(1) Subject to the provisions of this Act as to the sale of electricity to the owners of selected stations, the price to be charged by the Board for electricity supplied directly by them to authorised undertakers shall be in accordance with such tariff as may be fixed by the Board from time to time, and the tariff shall be fixed so that over a term of years to be approved by the Electricity Commissioners the receipts on income account shall be sufficient to cover the expenditure on income account, including interest and sinking fund charges, with such margin as the Electricity Commissioners may allow.

Tariff for
electricity
supplied
directly by
Board to
authorised
under-
takers.

(2) The tariff shall be so framed as to include as part of the charge and show separately—

- (a) a fixed kilowatt charges component;
(b) a running charges component;

A.D. 1926. — and for this purpose the fixed kilowatt charges component and the running charges component shall be ascertained in accordance with such principles as may be approved by the Electricity Commissioners; or the tariff may be framed in such other manner as may be determined by an order of the Electricity Commissioners, but such an order shall not come into force until it has been laid before each House of Parliament for a period of not less than thirty days on which that House has sat, and if either House of Parliament before the expiration of that period presents an Address to His Majesty no further proceedings shall be taken thereon.

(3) The tariff fixed under this section may, if the Board think fit, be different for different areas.

Price of
indirect
supply in
bulk.

12. Where any authorised undertakers take a supply of electricity directly or indirectly from the Board, the price charged by them for the supply of electricity in bulk to any other authorised undertakers, or for a supply for haulage or traction purposes to a railway company, shall, notwithstanding anything in the special Act or Order relating to their undertaking, be on the same terms as those on which the undertakers receive the supply directly or indirectly from the Board, together with such charges and allowances in respect of any transmission line or part thereof used by the undertakers giving the supply in bulk for the purpose of that supply as are mentioned in the Third Schedule to this Act; and if any question arises as to the amount of the price to be so charged, it shall be determined by the Electricity Commissioners:

Provided that this section shall not affect the price charged for any supply of electricity given in pursuance of a contract made before the passing of this Act.

Limitation
on price to
be charged
to owners of
selected
stations.

13. Where any authorised undertakers, being the owners of an existing generating station which by virtue of this Act becomes a selected station, who take a supply of electricity from the Board prove to the satisfaction of the Electricity Commissioners that the cost of taking that supply from the Board on the terms provided by this Act in any year exceeds the cost which they would have incurred had this Act not been passed in themselves generating the like quantity of electricity, then the charges by the Board to those undertakers for the

supplies of electricity furnished to them shall be so adjusted that the amount charged in that year does not exceed the cost which, in the opinion of the Electricity Commissioners, the undertakers would have incurred in themselves generating the electricity. A.D. 1926.

14.—(1) Where the Board notify to any authorised undertakers owning a generating station, not being a selected station, that the Board are in a position to supply directly or indirectly to those undertakers such quantity of electricity as the undertakers would require for the purposes of their undertaking if the station were closed, and undertake to give such a supply for a period of not less than seven years on specified terms ascertained in accordance with the provisions of this Act, and are satisfied that the cost of the supply on those terms is below the then prevailing cost to those undertakers of generating electricity at the station, and those undertakers refuse, or within three months after such notification fail to agree, to take such supply directly or indirectly from the Board, then, if the Electricity Commissioners are satisfied as respects the next subsequent year that the cost of production of electricity generated by those undertakers at the station substantially exceeded the cost they would have incurred had they purchased the like quantity of electricity directly or indirectly from the Board on the specified terms ascertained as aforesaid, the Electricity Commissioners may, if in their opinion it is expedient that the station should cease to be used as a generating station, by order require the authorised undertakers within such time as the Electricity Commissioners may allow (not being less than six months from the date of the order) to take a supply of electricity in bulk from the Board and shut down the generating station as such.

Power to
close
generating
stations in
certain
events.

(2) If any question arises under this section as to whether the cost of production of electricity generated by any undertakers substantially exceeded the cost they would have incurred had they purchased the like quantity of electricity directly or indirectly from the Board on the specified terms, the question shall, if those undertakers so require, be referred to the arbitration of a barrister (or in Scotland an advocate) appointed by the Minister of Transport from the appropriate panel set up under section four of this Act, and the arbitrator may, in any

A.D. 1926. — case in which he thinks it expedient to do so, call in the aid of one of more qualified assessors and hear the case wholly or partially with the assistance of such assessors.

(3) In calculating for the purposes of this section the cost of production of electricity generated by the authorised undertakers, no account shall be taken of capital charges in respect of capital expended on the generating station.

(4) For the purposes of this section, any authorised undertakers owning a generating station not being a selected station shall on being so required by the Electricity Commissioners furnish them with a statement showing the cost of production of electricity at that station for such period and certified in such manner as the Commissioners may direct.

Compensation for deprivation of employment.

12 & 13

Geo. 5. c. 46.

15. Section sixteen of the Electricity (Supply) Act, 1919, as amended by section twenty-one of the Electricity (Supply) Act, 1922, shall, with the necessary adaptations, apply to any officer or servant of any authorised undertakers affected by the closing (permanent or temporary) or restrictions imposed by the Board or by or under a scheme on the working or use of, or the acquisition of, a generating station, or by the acquisition of a main transmission line or any part thereof, under or in consequence of this Act, and for that purpose that section as so amended shall have effect as set out and adapted in the Fourth Schedule to this Act.

Powers of authorised undertakers.

16.—(1) Where under this Act the Board is authorised or required to enter into arrangements with authorised undertakers for any purpose, then, notwithstanding anything in any Special Act or Order, or any other instrument regulating the constitution or powers of the undertakers, it shall be lawful for the authorised undertakers, whether a joint electricity authority a local authority or a company, to enter into and carry out any such arrangements.

(2) The carrying out of any such arrangements shall be a purpose for which authorised undertakers, being a local authority or a joint electricity authority may borrow under the Electricity (Supply) Acts, 1882 to 1922.

(3) Where the carrying out of any such arrangement by authorised undertakers, being a company,

involves capital expenditure, and owing to limitations on the powers of the company to raise capital the company cannot raise the necessary capital without the authority of an Act of Parliament, the company may submit to the High Court (or in Scotland the Court of Session), a scheme providing for increasing all or any of the existing classes of loan or share capital of the company, or creating new classes of loan or share capital, with such rights, priorities and conditions as may be specified in the scheme; and if the scheme is approved by the Court, then, notwithstanding anything in any special Act affecting the company or the holders of any class of loan or share capital in the company, the additional capital of each class shall form part and rank *pari passu* with the existing capital of that class, and any new class of capital may with the consent of the majority in value of the holders of any class of security affected rank before any existing class of capital.

A.D. 1926.

17.—(1) Where a generating station acquired under this Act by any authorised undertakers, company, or person, or by the Board, or a main transmission line acquired under this Act by the Board, is in course of construction, extension, or repair, the rights and liabilities of the former owners thereof under any contract for such construction, extension, or repair, shall be transferred to the body so acquiring the generating station or main transmission line (in this Act referred to as “the acquiring authority”).

Provisions consequent on acquisition by the Board of generating station or main transmission line.

(2) Where any generating station acquired by an acquiring authority under this Act contains any plant which forms an essential part of the distribution system of the former owners of the generating station, that plant shall, notwithstanding such acquisition, remain the property of such former owners who shall, so long as electricity is supplied for distribution from that station, at all times have the right of access thereto.

18.—(1) Where the carrying out of any part of a scheme, or any arrangement or requirement in connection therewith, would involve any operation for which any consent or approval of the Minister of Transport or the Electricity Commissioners would be necessary under the *Electricity (Supply) Acts, 1882 to 1922*, nothing in the foregoing provisions of this Act shall relieve the Board

Saving for necessity of obtaining certain consents.

A.D. 1926. — or any authorised undertakers or other persons concerned from the necessity of obtaining such consent or approval.

(2) Where an application is made by any authorised undertakers to the Minister of Transport or the Electricity Commissioners for their consent or approval under the Electricity (Supply) Acts, 1882 to 1922, in any case where such consent or approval is by those Acts required, the Minister or Commissioners, in determining whether to give or withhold the consent or approval, shall have regard to the provisions of this Act and the effect of any scheme or proposed scheme thereunder.

Special
provisions
as to
London.

19. Where any obligation to carry out any technical scheme imposed on a joint electricity authority, local authority, company or body by or under the London and Home Counties Electricity District Order, 1925, or the London Electricity (No. 1) Act, 1925, or the London Electricity (No. 2) Act, 1925, conflicts with any obligation arising out of a scheme under section four of this Act which is imposed by or under this Act on any such authority, company or body, the last mentioned obligation shall prevail.

SUBSIDIARY PROVISIONS AS TO THE BOARD.

Application
of Electricity
Supply
Acts to
Board.

62 & 63 Vict.
c. 19.

45 & 46 Vict.
c. 56.

20.—(1) Subject to the provisions of this section, the Board shall be deemed to be undertakers and authorised undertakers within the meaning of the Electricity (Supply) Acts, 1882 to 1922, and this Act in relation to the Board shall be deemed to be a special Act for the purposes of those Acts, and for the purposes of this section there shall be incorporated with this Act the provisions of the Schedule to the Electric Lighting (Clauses) Act, 1899, subject to such exceptions and modifications as may be prescribed by regulations made by the Electricity Commissioners:

Provided that section thirteen of the Electric Lighting Act, 1882 (which relates to the breaking up of private streets, railways and tramways), and sections two and three of the Electric Lighting Act, 1888 (which relate to the purchase of undertakings by local authorities), shall not apply to the undertaking of the Board, and that section twenty of the Schedule to the Electric Lighting (Clauses) Act, 1899, in its application to the Board, shall have effect as if after the words “electric

signalling communication" wherever they occur, there were inserted the words "or electrical control of railways." A.D. 1926. —

(2) Before any such regulations come into force they shall be laid before each House of Parliament for a period of not less than thirty days on which that House has sat, and if either House of Parliament, before the expiration of that period, presents an address to His Majesty no further proceedings shall be taken thereon.

(3) The Board shall not supply electricity directly to persons not being authorised undertakers, except that—

- (a) they may supply the owners of selected stations, not being authorised undertakers, to the extent to which those owners are entitled to demand a supply under this Act;
- (b) with the consent of the Electricity Commissioners, they may supply electricity to any company, body, or person requiring a supply for power purposes in any area not forming part of the area of supply of any authorised undertakers, but where electricity is supplied by the Board to a company, body or person requiring a supply for power purposes it may be used by that company, body or person for lighting any premises in any part of which the power is utilised.

21.—(1) The Board may acquire land or any easements or servitudes or other rights in or over land by agreement, or may be authorised to acquire land or any such right compulsorily, for the purpose of any of their powers and duties under this Act (including the construction of main transmission lines) in like manner as a local authority being authorised undertakers may acquire or be authorised to acquire land under the Electricity (Supply) Acts, 1882 to 1922, for the purpose of a generating station, and those Acts and the Acts incorporated therewith shall apply accordingly; and the Board shall be deemed to be a public authority for the purposes of the Acquisition of Land (Assessment of Compensation) Act, 1919: Acquisition of land by the Board. 9 & 10 Geo. 5. c. 57.

Provided that the Electricity Commissioners shall not make and the Minister of Transport shall not confirm any special order authorising the Board to acquire land

A.D. 1926. — or a right in or over land compulsorily for the purposes of a main transmission line unless satisfied that the objects sought to be attained cannot consistently with efficiency and economy be attained by the acquisition of a wayleave in accordance with the provisions of section twenty-two of the Electricity (Supply) Act, 1919.

(2) Nothing in this section shall authorise the compulsory acquisition by the Board of land held by the owners or lessees of any railway, canal, inland navigation, dock, or harbour for the purposes of their undertaking, or enable the Board to acquire compulsorily any easement, servitude, or other right in or over such land otherwise than in accordance with the provisions of section twenty-two of the Electricity (Supply) Act, 1919, and section eleven of the Electricity (Supply) Act, 1922.

Power of Board to use main transmission lines by agreement.

22. The Board may, by agreement with any authorised undertakers or other persons, use, subject in the case of authorised undertakers to the Acts and Orders relating to the undertaking, any main transmission lines of those undertakers or persons for such time and upon such terms as may be agreed.

Power of Board to purchase surplus electricity.

23.—(1) The Board and any local authority company or person producing electricity by means of the utilisation of water power, waste heat, or otherwise, may enter into arrangements for the purchase by the Board of any surplus electricity which the local authority company or person may be able to dispose of on such terms as may be agreed, and the Board may be authorised by order of the Electricity Commissioners to exercise such powers (including the power to break up roads, railways, and tramways) as may be necessary for the purpose of conveying the electricity so purchased.

(2) The provisions of subsection (2) of section fifteen of the Electricity (Supply) Act, 1919, shall apply to the Board in like manner as they apply to a joint electricity authority.

Protection of Government observatories, &c.

24.—(1) The Board shall not provide, construct, equip, or alter or use any generating station, sub-station, transformer station, building, plant, machinery, electric main, appliance work or apparatus, or use or permit to be used, transmit, convert, or transform any electrical energy either under this Act or otherwise in such a manner as to affect injuriously in any respect whatever

either by vibration or obstruction or smoke or by electric or electro-magnetic action or influence, or by any means whatsoever whether similar to those enumerated or not any Government observatory or laboratory existing at the passing of this Act or any instrument or apparatus in or adjacent thereto, and used in or in connection therewith. A.D. 1926.

(2) Section twenty-six of the Electric Lighting Act, 1882, and any enactments incorporated by that section, as amended by section twenty-five of the Electricity (Supply) Act, 1919 (which contain provisions for the protection of the Postmaster-General) shall, in their application to the Board, have effect as if references therein to the Postmaster-General included references to any other Government Department.

25.—(1) The Board shall annually, at such date and in such form as the Minister of Transport may prescribe, make to him a report of their proceedings under this Act during the preceding year, and such report shall be laid before both Houses of Parliament. Annual report, statistics and returns.

(2) The Board shall furnish to the Electricity Commissioners at such times and in such form and manner as the Commissioners may direct such statistics and returns as they may require.

FINANCIAL PROVISIONS.

26. All sums received by the Board shall be paid into a separate fund, and out of that fund the salaries, fees and allowances of the members of the Board and the salaries, remuneration, pensions and gratuities of the secretary officers and servants of the Board, and all expenses incurred by the Board, shall be paid, including repayment to the Electricity Commissioners of any expenses incurred by those Commissioners in the preparation of any schemes under this Act, and payment to the Minister of Transport of any expenses and liabilities incurred by him before the commencement of this Act preliminary to the preparation of such schemes, together with interest in either case at the rate of five per cent. per annum. Expenses of the Board.

27.—(1) For the purposes hereinafter mentioned the Board may with the consent of the Electricity Commissioners and subject to regulations to be made by the Power of Board to borrow.

A.D. 1926. Minister of Transport with the approval of the Treasury,
— borrow money, in such manner and subject to such provisions as to the repayment thereof, and with such powers as to re-borrowing for the purpose of paying off a loan previously raised, as may be prescribed by the regulations, and the regulations may empower the Board to borrow temporarily by the issue of bonds or otherwise and to make arrangements with bankers, and may apply with or without modifications any enactments relating to borrowing by local authorities, including provisions as to the enforcement of the security by the appointment of a receiver or otherwise.

(2) Such powers of borrowing as aforesaid may be exercised for all or any of the following purposes :—

(a) the construction or acquisition of such main transmission lines, generating stations, and other works as the Board are authorised by this Act to construct or acquire;

(b) any other payment or any permanent work or other thing which the Board are authorised to execute or do, the cost of which ought, in the opinion of the Electricity Commissioners, to be spread over a term of years (including the payment of interest on money borrowed for capital expenditure for such period as may be determined by the Electricity Commissioners after consultation with the Treasury to be the period during which the expenditure remains unremunerative);

(c) the provision of working capital;

(d) any other purpose for which the Board are under this Act authorised to borrow.

(3) Any money borrowed under this section, and the interest thereon, may be charged on the undertaking and all the revenues of the Board, or on any specific property forming part of that undertaking, and shall be repaid within such period not exceeding sixty years as the Electricity Commissioners may determine.

(4) The maximum amount which may be borrowed by the Board under this section shall be thirty-three and a half million pounds, and the Board shall not have power to borrow any sums in excess of that amount, otherwise than for the purpose of paying off loans previously raised, unless authorised to do so by a special

order under section twenty-six of the Electricity (Supply) Act, 1919. A.D. 1926.

(5) It shall be lawful for any annual provision required to be made by the Board for the repayment of money borrowed for any of the purposes of this Act, to be suspended whilst the expenditure out of such moneys remains unremunerative, for such period and subject to such conditions as the Electricity Commissioners after consultation with the Treasury may determine:

Provided that such suspension shall not be for a longer period than five years from the commencement of the financial year next after that in which such expenditure is incurred.

28.—(1) The Board may, for the purpose of raising money which they are authorised to borrow under this Act, issue stock (to be called Central Electricity Stock). Power to
authorise
issue of
stock.

(2) All such stock, and interest thereon, shall be charged on the undertaking, and on all the revenues of the Board.

(3) Subject to the provisions of this Act, any stock created by the Board under the powers of this Act shall be issued, transferred, dealt with, and redeemed, according to regulations made by the Minister of Transport with the approval of the Treasury, and any such regulations may apply for the purpose of this section, with or without modifications, any provisions of the Local Loans Act, 1875, the Public Health Acts Amendment Act, 1890, and the Acts amending those Acts, and of any Act relating to stock issued by any local authority. 38 & 39 Vict.
c. 83.
53 & 54 Vict.
c. 59.

29.—(1) Subject to the provisions of this section, the Treasury may guarantee in such manner as they think fit, the payment of the interest and principal of any loan proposed to be raised by the Board, or of either the interest or the principal: Power to
Treasury to
guarantee
loans to
Board.

Provided that the aggregate amount of the loans, the principal or interest of which may be so guaranteed, shall not exceed thirty-three and a half million pounds.

(2) Such sums as may from time to time be required by the Treasury for fulfilling any guarantees given under this section shall be charged on and issued out of the Consolidated Fund of the United Kingdom or the growing produce thereof.

A.D. 1926.

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(3) The repayment to the Treasury of any sums so issued out of the Consolidated Fund, together with interest thereon at such rate as the Treasury may fix, shall be a charge on the undertaking and all the revenues of the Board next after the principal and interest of the guaranteed loan, and any sinking fund payments for the repayment of the principal thereof, and in priority to any other charges not existing at the date on which the loan is raised.

(4) All sums paid from time to time in or towards the repayment of any sum issued out of the Consolidated Fund under this section shall be paid into the Exchequer.

(5) The Treasury shall so long as any such guarantees are in force, lay before both Houses of Parliament in every year within one month after the thirty-first day of March a statement of the guarantees (if any) given during the year ended on that date, and an account up to that date of the total sums (if any) which have been either issued out of the Consolidated Fund under this section or paid in or towards repayment of any money so issued.

Accounts
and audit.

30.—(1) The Board shall cause proper books of account and other books in relation thereto to be kept, and shall prepare an annual statement of accounts in such form and containing such particulars as may be prescribed by the Minister of Transport.

(2) The accounts of the Board and their officers shall be audited by auditors appointed by the Minister of Transport, and the audit shall be conducted in accordance with such regulations as may be prescribed by the Minister of Transport.

(3) As soon as the accounts of the Board have been audited the Board shall send a copy thereof to the Minister of Transport together with a copy of any report of the auditor thereon, and shall publish the accounts in such manner as the Minister of Transport may direct, and shall place copies thereof on sale at a price not exceeding one shilling a copy.

MISCELLANEOUS PROVISIONS.

Charges for
electricity
supplied by
power com-
panies.

31.—(1) On a power company commencing to receive a supply of electricity from the Board, the Minister of Transport may revise the maximum prices authorised under the special Act of the company to be charged by the company for supplies, other than

supplies in bulk to authorised undertakers, and may revise the standard prices fixed by such Act and on such revision in determining the maximum and standard prices regard shall be had to any change in the cost of electricity to the company attributable to this Act. A.D. 1926.

(2) Where a special Act passed before the passing of this Act authorises such a power company to make good any deficiency in any previous dividends which have fallen below the prescribed standard rate of dividends, the Electricity Commissioners may, after such inquiry as they think fit, by special order made under section twenty-six of the Electricity (Supply) Act, 1919, make provision for the repeal or limitation of any such authorisation, and where such an order is made the special Act shall have effect subject to the provisions of the order.

32.—(1) Where any company, being authorised undertakers and not being a power company, receive a supply of electricity either directly or indirectly from the Board, the Electricity Commissioners may, if, having regard to any change in the cost of electricity to the company attributable to this Act, they think it expedient, by a special order under section twenty-six of the Electricity (Supply) Act, 1919, make provision as to the relation between the charges to be made for electricity and the dividends to be paid by the company, and the order shall have effect as if the provisions contained therein were in substitution for the provisions (if any) contained in the Act or order relating to the undertaking of the company as to the relation of charges to dividend: Relation of charges to dividends.

Provided that where any such company carries on two or more separate undertakings one or more of which receive a supply from the Board, any such order shall regulate the charges to be made for electricity in the case of the undertaking or each of the several undertakings receiving such a supply in relation to the divisible profits on the capital attributable to that undertaking.

(2) The provisions of this section shall not apply to any company which is a London company within the meaning of the London and Home Counties Electricity District Order, 1925, or to any company which

A.D. 1926. — may be formed under the agreement set out in the Fourth Schedule to the London Electricity (No. 1) Act, 1925, or to any company formed for the purpose of such an amalgamation of undertakings as is provided for by section eight of the London Electricity (No. 2) Act, 1925.

Adoption of
Local Go-
vernment
and Other
Officers'
Super-
annuation
Act, 1922.
12 & 13
Geo. 5. c. 59.

33. The Board and any Joint Electricity Authority respectively may (without prejudice in the case of any such authority to the provisions contained in subsection two of section eight of the Electricity (Supply) Act, 1919) if they think fit, adopt the provisions of the Local Government and Other Officers' Superannuation Act, 1922, in the same manner as if the Board or such Joint Electricity Authority, as the case may be, were a local authority within the meaning of the said Act of 1922, and upon that Act being so adopted by the Board or a joint electricity authority the Act shall apply as if the Board or the authority, as the case may be, were such a local authority as aforesaid.

Power to lop
trees and
hedges ob-
structing
electric
lines.

34.—(1) Where any tree or hedge obstructs or interferes with the construction, maintenance, or working of any main transmission line or other electric line which is being constructed or is owned by any authorised undertakers, or will interfere with the maintenance or working of such a line, the authorised undertakers may give notice to the owner or occupier of the land on which the tree or hedge is growing requiring him to lop or cut it so as to prevent the obstruction or interference, subject to the payment to him by the authorised undertakers of the expenses reasonably incurred by him in complying with the notice:

Provided that, in any case where such a notice is served upon a person who, although the occupier of the land on which the tree or hedge is growing, is not the owner thereof, a copy of the notice shall also be served upon the owner thereof, if known.

(2) If within twenty-one days from the giving of such notice the requirements of the notice are not complied with, and neither the owner nor occupier of the land gives such a counter notice as is hereinafter mentioned, the authorised undertakers may cause the tree or hedge to be lopped or cut so as to prevent such obstruction or interference as aforesaid.

(3) If, within twenty-one days from the giving of such notice, the owner or occupier of the land on which the tree or hedge is growing gives a counter notice to the authorised undertakers objecting to the requirements of the notice, the matter shall, unless the counter notice is withdrawn, be referred to the Minister of Transport, who, after giving the parties an opportunity of being heard, may make such order as he thinks just, and any such order may empower the authorised undertakers (after giving such reasonable previous notice to any person by whom such counter notice was given of the commencement of the work as the order may direct) to cause the tree or hedge to be lopped or cut so as to prevent such obstruction or interference as aforesaid, and may determine any question as to what compensation (if any) and expenses are to be paid. A.D. 1926.

(4) The authorised undertakers shall issue instructions to their officers and servants with a view to securing that trees and hedges shall be lopped or cut in a woodman-like manner and so as to do as little damage as may be to trees, fences, hedges, and growing crops, and shall cause the boughs lopped to be removed in accordance with the directions of the owner or occupier, and shall make good any damage done to the land.

(5) Any compensation or expenses payable to the owner or occupier by the authorised undertakers under this section shall be recoverable summarily as a civil debt.

(6) Where for the purpose of the construction or maintenance of a transmission line it is necessary to fell any trees, this section shall apply to the felling of trees in like manner as it applies to the lopping of trees.

(7) This section shall apply to main transmission lines owned or to be constructed by the Board in like manner as it applies to lines owned or to be constructed by authorised undertakers.

35.—(1) Unless and except so far as may be otherwise agreed between any county council (in this section referred to as “the county council”) and the Board, the following provisions shall have effect (that is to say)—

Protection
of county
bridges.

(a) Nothing in this Act shall in any way limit or affect the powers of the county council to rebuild,

A.D. 1926.

alter, widen or repair the structure of any bridge upon which any work by this Act authorised shall be constructed, or impose upon the county council any liability which was not by law imposed upon them prior to the commencement of this Act ;

- (b) If at any time the county council require to carry out works for rebuilding, altering, widening or repairing any bridge which might involve interference with any portion of the undertaking by this Act authorised they shall prior to the commencement of such works give the Board one month's notice in writing of their intention to carry out such works and if in order to avoid interruption to the supply by the Board of electrical energy, it is in the opinion of the county council necessary temporarily to remove the mains and other electrical appliances belonging to the Board from such bridge, then the Board shall (and they are hereby authorised so to do) at their own expense temporarily carry their cables and wires across such bridge overhead or at the side thereon in such a manner as will not be a danger or inconvenience to the public, or unreasonably interfere with the works to be carried out by the county council ;
- (c) When the rebuilding, altering, widening or repairing of such bridge shall have been completed the Board shall have the same rights and powers with regard to such bridge and its approaches as they had before the works were carried out ;
- (d) If any dispute arises between the county council and the Board with regard to this section the same shall be determined by an arbitrator to be appointed on the application of either party by the Minister of Transport.

(2) In the application of this section to Scotland, the county council shall mean the county road board, or if the bridge is not wholly situated within one county, the joint bridge committee if such committee has been appointed.

AMENDMENTS OF THE ELECTRICITY SUPPLY ACTS.

A.D. 1926.

36. For section five of the Electricity (Supply) Act, 1919, as amended by section nineteen of the Electricity (Supply) Act 1922, the following section shall be substituted :—

Schemes for constitution of electricity districts, and the organisation of supply therein.

“(1) Where it appears to the Electricity Commissioners that with respect to any areas the existing organisation for the supply of electricity therein should be improved, and that a joint electricity authority should be established therefor, the Commissioners shall give notice of their intention to constitute those areas a separate electricity district, and to formulate a scheme for effecting such improvement in the district, and for the establishment of a joint electricity authority for the district :

Provided that, in considering what areas are to be included in a district, areas shall be grouped in such manner as may seem to the Commissioners most conducive to the efficiency and economy of the supply of electricity and the convenience of administration.

(2) After such a notice has been published, the Electricity Commissioners, after consultation with the authorised undertakers in the proposed district, shall formulate such a scheme as aforesaid, and publish the scheme in such manner as they think best adapted for insuring its publicity, and hold a local inquiry thereon, and shall give to authorised undertakers, county councils, local authorities, railway companies using or proposing to use electricity for traction purposes, large consumers of electricity, and other associations or bodies within the proposed district which appear to the Commissioners to be interested, an opportunity of making representations to the Commissioners on the proposed scheme, and with respect to the inclusion in or exclusion from the proposed district of any area.”

37. A scheme constituting a joint electricity authority may, in addition to the matters for which provision

Contents of schemes.

A.D. 1926. may be made under section six of the Electricity (Supply) Act, 1919, contain provisions—

- (a) for the carrying out by the joint electricity authority of any works for the development of the supply of electricity within the district; and
- (b) for the subsequent alteration of the constitution of the joint electricity authority.

Amendment
of schemes.

38.—(1) The power under section seven of the Electricity (Supply) Act, 1919, to make orders altering previous orders shall include power by such subsequent order to constitute a joint electricity authority in any case where the original order did not provide for the constitution of such an authority.

(2) Where any such amending order constitutes a joint electricity authority in lieu of an advisory committee or other body constituted under the original order, the amending order shall provide for the application to officers and servants of the advisory committee or other body of the provisions of section sixteen of the Electricity (Supply) Act, 1919, as amended by section twenty-one of the Electricity (Supply) Act, 1922, subject to the necessary modifications.

Provisions
as to com-
panies with
large area
of supply.

39.—(1) Where after the commencement of this Act a special order is made authorising a company to supply electricity, and the area of supply consists of or includes the whole of the districts of two or more local authorities and is, in the opinion of the Electricity Commissioners, adequate in extent, the following provisions shall have effect with respect to the right of purchasing their undertaking :—

- (a) The purchasing authority may within six months after the expiration of a period of fifty years from the date of the confirmation of the special order, or such shorter period as may be specified in that behalf in the special order, and within six months after the expiration of every subsequent period of ten years, or such shorter period as may be specified in that behalf in the special order, by notice in writing, require the company to sell, and thereupon the company shall sell to them their

undertaking upon the terms of the payment to those undertakers of a sum equal to the capital properly expended for the provision of the land, buildings, works, material, and plant of the undertakers in use or available and suitable for use at the time of the purchase for the purposes of their undertaking, less depreciation according to such scale as may be determined by special order : A.D. 1926.

- (b) The Minister of Transport shall determine any questions which may arise in relation to such purchase and may fix the date from which the purchase is to take effect, and as from the date so fixed, or such other date as may be agreed, all lands, buildings, works, material and plant so purchased as aforesaid, shall vest in the purchasing authority, freed from the debts, mortgages, or similar obligations of the undertakers or attached to the undertaking, and the powers of the undertakers in relation to the supply of electricity under the Electricity (Supply) Acts, 1882 to 1926, or such special order as aforesaid, shall absolutely cease and determine, and shall vest in the purchasing authority :

- (c) The purchasing authority—

(i) where the area of supply is situate wholly or mainly within the district of a joint electricity authority, shall be the joint electricity authority : Provided that, if the area of supply is situate partly within the district of one joint electricity authority and partly in that of another, the right of purchase shall be exerciseable by such one of those authorities, or shall be divisible between them as the Electricity Commissioners may determine ;

(ii) in any other case, shall be the local authorities for the districts in which any part of the area of supply is situate, acting through a joint committee or joint board

A.D. 1926.

constituted under section eight of the
Electric Lighting Act, 1909.9 Edw. 7.
c. 34.(d) Sections two and three of the Electric Lighting
Act, 1888, shall not apply.(2) The special order in any case to which sub-
section (1) of this section applies may make provision
as to the relation between the price charged for
electricity and the divisible profits on the capital
attributable to the undertaking authorised by the
special order.Terms of
purchase of
a company
taking a
bulk supply.**40.** Where a company, being authorised undertakers,
have ceased to generate electricity themselves, and in lieu
thereof are taking a supply of electricity in bulk directly
or indirectly from the Board, or, with the approval of
the Electricity Commissioners, from any other source,
and the undertaking of the company is purchased by
a local authority under section two of the Electric
Lighting Act, 1888, or under any local Act or Order on
terms based on the same principle as those contained in
the said section two, the following provisions shall have
effect notwithstanding anything contained in that Act:(1) In addition to the sum payable to the company
by the local authority in respect of plant
and other assets under the said Act of 1888,
or under the said Act as varied by any order,
or under any such local Act or Order as aforesaid,
there shall be paid a sum representing the capital
properly expended upon plant and other assets
rendered unsuitable for use by reason of the
taking of such bulk supply as aforesaid, after
deducting such amount as the company, in
the opinion of the Electricity Commissioners,
ought properly to have written off in respect
of such assets:(2) Any question arising under this provision shall
be determined by the Electricity Commissioners,
whose decision shall be final.Power to
alter terms
of purchase
by agree-
ment.**41.** Where under the Electricity (Supply) Acts,
1882 to 1922, or under any order made thereunder, or
under any deed of transfer executed in pursuance of
powers conferred by any such order, or under any
special or local Act, any right to purchase the whole

or any part of the undertaking of any authorised undertakers is vested in a local authority (including a joint electricity authority) the authorised undertakers may at any time within ten years before the date of purchase next occurring after the passing of this Act, or within ten years of any subsequent date of purchase enter into a contract with the local authority to amend, vary or alter the terms of purchase on the next occurring date upon which they may purchase upon conditions to be agreed between the parties with the approval of the Electricity Commissioners, and the terms of such agreement shall be binding upon the parties. A.D. 1926.

42.—(1) The charge made by authorised undertakers to any ordinary consumer, may, if duly authorised, and notwithstanding anything in any Act or Order to the contrary, consist of a periodical fixed or service charge and in addition a charge for the actual quantity of energy supplied to the consumer or for the electrical quantity contained in the supply. Methods of charge.

Where the undertakers have power to provide meters, electric lines, fittings, apparatus and appliances, the periodical fixed or service charge may include a rent, charge or remuneration in respect of any meter and any electric lines, fittings, apparatus and appliances provided by the undertakers in or upon the premises of the consumer whether let on hire or hire purchase terms to the consumer or otherwise.

(2) A method of charge as aforesaid may be authorised by Special Order or by an approval under the provisions of section thirty-one of the Schedule to the Electric Lighting (Clauses) Act, 1899, or corresponding provision contained in any Act or Order, and such Special Order or approval may provide, where expedient, for an option to ordinary consumers to be charged by an authorised alternative method.

43.—(1) The Schedule to the Electric Lighting (Clauses) Act, 1899, as incorporated with any special Act or Order passed or confirmed whether before or after the commencement of this Act, shall have effect subject to the amendments specified in the Fifth Schedule to this Act. Amendment of Schedule to 62 & 63 Vict. c. 19.

A.D. 1926.

—

(2) Any special Act or Order relating to the supply of electricity passed or confirmed before the commencement of this Act which does not incorporate the provisions of the Schedule to the Electric Lighting (Clauses) Act, 1899, which are amended by the Fifth Schedule to this Act, but contains corresponding provisions, shall have effect as if the like amendments were made in those corresponding provisions.

Amend-
ment of
s. 21 of the
Electricity
(Supply)
Act, 1919.

44.—(1) Where applications made by any authorised undertakers for consent to the placing of any electric line above ground and wayleaves have not been agreed with the owners or occupiers of any land proposed to be crossed by a line, the undertakers may serve notice in accordance with the provisions of section twenty-two of the Electricity (Supply) Act, 1919, of their proposal to place the line, and the Minister of Transport may proceed concurrently under sections twenty-one and twenty-two of the Electricity (Supply) Act, 1919.

13 & 14
Geo. 5. c. 20.

(2) Where the Board or any authorised undertakers have in pursuance of powers conferred on them under section twenty-two of the Electricity (Supply) Act, 1919, erected on any land supports for an electric line above ground, the Board or undertakers shall, for the purposes of section eight of the Mines (Working Facilities and Support) Act, 1923, be deemed to be persons having an interest in the land on which such supports are erected.

3 & 4 Geo. 5.
c. 32.

(3) Where an application has been made to the Minister of Transport for his consent to the placing of any electric line above ground, and representations are made that the line will prejudicially affect any ancient monument within the meaning of the Ancient Monuments Consolidation and Amendment Act, 1913, the Minister of Transport, in determining whether to give or withhold his consent, or to impose conditions, shall take into consideration any recommendations made to him by the Commissioners of Works with a view to preventing the ancient monument being prejudicially affected.

Power to
recover
charge for
reconnec-
tion.

45. Any expenses reasonably incurred by any authorised undertakers in reconnecting any electric line or other work through which electricity may be supplied which may have been lawfully cut off or disconnected by reason of any default of the consumer may be recovered

by the authorised undertakers in like manner as expenses lawfully incurred by them in such cutting off or disconnecting. A.D. 1926.
—

46.—(1) It shall be lawful for the owners of any railway generating station to supply electricity therefrom to the owners of any other railway generating station upon such terms and conditions as may be respectively agreed between them: Provided that no such supply shall be given under the powers conferred by this section without the consent of the Electricity Commissioners. Supply of electricity by railways, &c.

(2) The Electricity Commissioners may, subject to the provisions of the Electricity (Supply) Acts, 1882 to 1922, and to the Schedule to the Electric Lighting (Clauses) Act, 1899, by order authorise the breaking up of such roads, railways, and tramways as may be necessary for the purpose of such a supply.

(3) The provisions of the Electricity (Supply) Acts, 1882 to 1922, and of the Schedule to the Electric Lighting (Clauses) Act, 1899, so far as they relate to the protection of the Postmaster-General, shall apply to any works for the supply of electricity under this section and in the application of those provisions the owners giving the supply of electricity under the provisions of this section shall be deemed to be undertakers, and nothing in this section shall affect any right or remedy of the Postmaster-General under the Telegraph Acts, 1863 to 1925.

47. Where any authorised undertakers may supply and are supplying within their district or area of supply electricity for haulage or traction to any company or authority being the owners or lessees of a railway, dock, harbour or canal undertaking situate partly within and partly without that district or area, such authorised undertakers may, subject to the consent of the Minister of Transport and to such limitations and conditions (if any) as he may prescribe either generally or in any particular case, so supply electricity to be used for any purposes of such undertaking, whether within or without such district or area of supply, and such company or authority may, subject to the consent of the Minister of Transport and to such limitations and conditions (if any) as he may prescribe either generally or in any particular case, use the electricity so supplied for any purposes of Supply of electricity to railway companies, &c.

A.D. 1926. their undertaking for which they are entitled to use
— electricity :

Provided that the Minister of Transport shall not in any case give any such consent until notice of the application for the consent has been given by advertisement or otherwise in such manner as the Minister may direct, and an opportunity has been given to any person who appears to the Minister to be affected of making representations thereon.

Sale of
fittings.

48.—(1) Subject to the provisions of this section a joint electricity authority and any local authority authorised by special Act or by Order to supply electricity may sell electric lines, fittings, apparatus, and appliances for lighting, heating, and motive power, and for all other purposes for which electricity can or may be used (in this section called “electric fittings”), and may instal, connect, repair, maintain, and remove the same, and with respect thereto may demand and take such remuneration or rents and charges, and may make such terms and conditions as may be agreed upon.

(2) The exercise of the powers of this section shall be subject to the following restrictions:—

(a) The joint electricity authority or local authority shall not manufacture electric fittings unless expressly authorised to do so by special Act or Order;

(b) The joint electricity authority or local authority shall not sell electric fittings except—

(i) to a consumer or a person who intends to be a consumer of electricity supplied by them; or

(ii) to a contractor who requires such fittings to enable him to supply them to a person who is, or intends to be, a consumer of electricity supplied by the joint electricity authority or local authority;

(c) The prices charged by a joint electricity authority or a local authority for the sale of any electric fittings shall not be less than the recognised retail prices, unless the sale is to a

contractor, in which case the prices shall not be less than the recognised trade prices, and if any question shall arise as to what are the recognised retail or trade prices of any electric fittings, that question shall be determined by the committee appointed as hereinafter provided; A.D. 1926.

- (d) Every such joint electricity authority or local authority shall so adjust the charges to be made by them under this section as to meet any expenditure incurred by them in the exercise of the powers of this section (including interest upon and sinking fund charges in respect of money borrowed for the purposes of this section);
- (e) The total sums received and expended by any such joint electricity authority or local authority under this section in each year, including interest upon and sinking fund charges in respect of money borrowed for the purposes of this section, shall be shown separately in the published accounts of the electricity undertaking of such joint electricity authority or local authority.

(3) The Electricity Commissioners shall appoint a committee comprising representatives of associations representing local authorities who are authorised undertakers, contractors, and persons engaged in the business of making and persons engaged in the business of selling electric fittings, such committee to be appointed after consultation with those associations, and that committee shall determine any question which may be raised under this section as to the recognised retail or trade prices of any electric fittings and shall advise and assist the persons concerned as to the method of giving effect to the provisions of this section.

(4) The purposes of this section shall be deemed to be purposes for which the joint electricity authority or the local authority may borrow money.

(5) In this section the expression "contractor" means a person engaged in the business of selling and installing electric fittings.

A.D. 1926.
—
Special pro-
visions as to
gas under-
takers.
15 & 16
Geo. 5. c. 44.

49. Where the owners of a gas undertaking apply, under the provisions of the Electricity (Supply) Acts, 1882 to 1922, or the Statutory Gas Companies (Electricity Supply Powers) Act, 1925, for a Special Order, and the Electricity Commissioners decide that they are unable or unwilling to make the Order, the Commissioners shall refer the matter to the Minister of Transport, and thereupon the Minister, subject to compliance with the requirements of the Electricity (Supply) Act, 1919, as to the procedure applicable to the confirmation of Special Orders, may, if he thinks fit, make the Order, and any Order so made shall have effect as if it had been made by the Electricity Commissioners and confirmed by the Minister of Transport.

Minor
amend-
ments.

50. The amendments specified in the second column of the Sixth Schedule to this Act (which relate to minor details) shall be made in the provisions of the Electricity (Supply) Acts, 1882 to 1922, specified in the first column of that Schedule.

GENERAL.

Interpre-
tation.

51.—(1) For the purposes of this Act, unless the context otherwise requires—

The expression “generating station” has the meaning given thereto by section thirty-six of the Electricity (Supply) Act, 1919, and not the meaning given thereto by section twenty-five of the Electric Lighting Act, 1909;

The expression “transmission line,” when used with reference to a line which is a main transmission line within the meaning of the Electricity (Supply) Act, 1919, shall include all such works as are mentioned in that definition, and, when used with reference to a line which is not such a main transmission line, shall include any works necessary to and used for the control of the transmission line and the transmission of electricity thereby and the buildings or such part thereof as may be required to accommodate those works.

A.D. 1926.

The expression “ owners ” in relation to a generating station includes lessees or occupiers of the station operating the station ;

The expression “ authorised undertakers ” includes a joint electricity authority ;

The expression “ local authority ” shall include a joint board or a joint committee constituted in pursuance of section eight of the Electric Lighting Act, 1909, or by a special Act passed for the like purpose ;

The expression “ absolute right of veto ” means any unqualified right vested in an authorised undertaker in any Act or Order whereby a power company is restricted from supplying electricity (exclusive of any right of supply for the purposes of any railway, tramway, canal, navigation, dock or harbour, or of any water undertaking) without the consent of such authorised undertaker in any specified area.

(2) Where electricity is supplied to any authorised undertakers by other authorised undertakers who themselves receive a supply from the Board, the first-mentioned undertakers shall for the purposes of this Act be deemed to receive a supply indirectly from the Board, and references in this Act to an indirect supply from the Board shall be construed accordingly.

(3) If and so far as the price for a supply of electricity is under this Act to be the cost of production adjusted according to the load factor, the adjusted price shall be the sum of the following items :—

- (a) the number of kilowatts of maximum demand in each month of the year of account multiplied by the fixed kilowatt charges component ;
- (b) the number of units supplied to the undertakers during the year of account multiplied by the running charges component.

For the purposes of this subsection—

The number of kilowatts of maximum demand for any month shall be deemed to be twice the largest number of units of electricity supplied to the undertakers during any consecutive thirty minutes in that month : Provided that, if the number of kilowatts of maximum demand so ascertained shall be less than the

A.D. 1926.
—

number of kilowatts of maximum demand in any previous month of the same year of account, payment shall be made on the higher number; and

The “fixed kilowatt charges component” and “running charges component” shall be ascertained in accordance with the rules contained in the Seventh Schedule to this Act.

(4) If and so far as the price for a supply of electricity is under this Act to be adjusted according to power factor or otherwise ascertained, such adjustment or ascertainment shall be made in accordance with regulations to be prescribed by the Electricity Commissioners in that behalf.

(5) Where for the purposes of this Act it is necessary to calculate what the cost of taking a supply of electricity from the Board over a number of years will be, then in making the calculation it shall be assumed that the price of fuel and the rates of wages remain constant.

Short title,
construction and
extent.

52.—(1) This Act may be cited as the Electricity (Supply) Act, 1926, and shall be construed as one with the Electricity (Supply) Acts, 1882 to 1922, and those Acts and this Act may be cited as the Electricity (Supply) Acts, 1882 to 1926.

(2) This Act shall not extend to Northern Ireland.

SCHEDULES.

A.D. 1926.

FIRST SCHEDULE.

Sections 5
and 8.

PROVISIONS AS TO THE ACQUISITION OF GENERATING STATIONS AND MAIN TRANSMISSION LINES.

The price of a generating station or main transmission line shall be such sum as may be certified by an auditor appointed by the Electricity Commissioners to have been the amount of the expenses properly incurred on and incidental to the provision of the generating station or main transmission line, less depreciation on a scale fixed by special order :

Provided that, if the owners of the generating station or main transmission line or the Board are dissatisfied with the sum so certified, the matter in dispute shall, in default of agreement, be determined by the arbitration of a barrister (or in Scotland an advocate) appointed by the Minister of Transport from the appropriate panel set up under section four of this Act, and the arbitrator may, if he thinks it expedient to do so, call in the aid of one or more qualified assessors and hear the case wholly or partially with the assistance of such assessors.

SECOND SCHEDULE.

Section 7.

RULES FOR DETERMINING COST OF PRODUCTION OF ELECTRICITY AT SELECTED STATIONS.

The cost of production of electricity at any selected station, shall be ascertained by calculating the following costs, charges and allowances in respect of the year of account :

- (a) the sums expended for fuel, oil, water, and stores consumed, for salaries and wages, and any contributions for pensions superannuation and insurance of officers and servants, for repairs and maintenance, and for renewals not chargeable to capital account;
- (b) sums paid as rents, rates and taxes (other than taxes on profits) and for insurance, in respect of the station;
- (c) The proper proportion of management and general establishment charges attributable to the station;

A.D. 1926.

—
2ND SCH.
—cont.

- (d) any other expenses on revenue account attributable to the station ;
- (e) interest (exclusive of interest payable out of capital), on money properly expended for capital purposes (whether defrayed out of capital or revenue) and attributable to the generating station and the plant suitable to and used for the purpose of generating electricity therein, and interest on working capital properly attributable to the station and the production of electricity therein.

The rate of interest for the purposes of this paragraph shall be—

(i) where the owners of a selected station are a joint electricity authority or a local authority, the average rate payable on the money raised by the authority for the purpose ;

(ii) where the owners of the station are a company, the average rate of dividends and interest paid by the company on their share and loan capital during the preceding year ; so, however, that the rate shall in no case be less than five nor more than six and a half per cent. per annum.

- (f) an allowance for depreciation of the following amount—

(i) where the owners of the selected station are a joint electricity authority or a local authority an amount equal to the sinking fund charges properly attributable to the station and the plant thereof :

Provided that where part of the expenditure was defrayed otherwise than by means of loans the allowance for depreciation shall be increased by such amount as the Electricity Commissioners think just.

(ii) where the owners of the station are a company, an amount determined in accordance with a scale fixed by special order :

Provided that in the case of any company which is a London company within the meaning of the London and Home Counties Electricity District Order, 1925, the amount of such allowance for depreciation shall not be less than the contributions for the year of account which the company is required to make to the sinking funds under the provisions of the London Electricity (No. 1) Act, 1925, or the London Electricity (No. 2) Act, 1925.

THIRD SCHEDULE.

A.D. 1926.

Section 12.

‡
AUTHORISED CHARGES AND ALLOWANCES IN RESPECT OF
TRANSMISSION LINES USED FOR GIVING BULK SUPPLY
TO AUTHORISED UNDERTAKERS.

The following are the charges and allowances which may be made in respect of a transmission line used by authorised undertakers for giving a supply in bulk to other authorised undertakers :—

- (1) The actual cost of the maintenance of the transmission line including renewals thereof not chargeable to capital account :
- (2) Sums paid as rents, rates and taxes (other than taxes on profits) and for insurance in respect of the transmission line :
- (3) A proper proportion of management and general establishment charges attributable to the transmission line :
- (4) The cost of units lost in transmission from the station or sub-station from which the supply is given to the station or sub-station at which the supply is taken :
- (5) Any other expenses on revenue account attributable to the transmission line :
- (6) Interest on money properly expended for capital purposes (whether defrayed out of capital or revenue) and attributable to the transmission line and on such working capital as is properly attributable to the transmission line at the following rate, that is to say :—
 - (a) where the authorised undertakers owning the transmission line are a joint electricity authority or a local authority, the average rate payable on the money raised by the authority for the purpose of constructing the line ;
 - (b) where the authorised undertakers owning the transmission line are a company, the average rate of dividends and interest paid by the company on their share and loan capital during the preceding year ; so, however, that the rate shall in no case be less than five nor more than six and a half per cent. per annum.
- (7) An allowance for depreciation of the following amount :—
 - (a) where the authorised undertakers owning the transmission line are a joint electricity authority or a local authority, an amount equal to the sinking fund charges properly attributable to the line :

A.D. 1926.

—
3RD SCH.
—*cont.*

Provided that, where part of the cost of the construction of the transmission line was defrayed out of revenue, the allowance for depreciation shall be increased by such amount as the Electricity Commissioners think just :

(b) where the authorised undertakers owning the transmission line are a company, an amount determined in accordance with a scale fixed by special order :

Provided that, in the case of any company which is a London company within the meaning of the London and Home Counties Electricity District Order, 1925, the amount of such allowance for depreciation shall not be less than the contributions for the year of account which the company is required to make to the sinking funds under the provisions of the London Electricity (No. 1) Act, 1925, or the London Electricity (No. 2) Act, 1925.

If a transmission line is used for giving a supply in bulk to two or more authorised undertakers, or if a transmission line is used partly for giving a supply in bulk and partly for other purposes, the charges and allowances shall be the proper proportion of such charges and allowances as aforesaid.

Section 15.

FOURTH SCHEDULE.

ADAPTATION OF SECTION 16 OF THE ELECTRICITY (SUPPLY) ACT, 1919, AS AMENDED BY SECTION 21 OF THE ELECTRICITY (SUPPLY) ACT, 1922.

If within five years from the date when under or in consequence of this Act a generating station has been closed or acquired or restrictions on the working or use thereof imposed, or a main transmission line or any part thereof has been acquired, any officer or servant who before the closing, acquisition, or imposition of the restrictions was regularly employed by any authorised undertakers, proves to the satisfaction of a referee or board of referees appointed by the Minister of Labour that in consequence of such closing, acquisition or restriction, he—

- (i) has suffered loss of employment, or diminution of salary, wages or emoluments, otherwise than on grounds of misconduct, incapacity, or superannuation ; or

- (ii) has relinquished his employment in consequence of being required to perform duties such as were not analogous or were an unreasonable addition to those which before such closing or acquisition or imposition of restrictions he had been required to perform; or
- (iii) had been placed in any worse position in respect to the conditions of his service (including tenure of office, remuneration, gratuities, pension, superannuation, sick or other fund, or any benefits or allowances, whether obtaining legally or by customary practice);

A.D. 1926.

—
4TH SCH.
—cont.

and, in the case of a generating station being closed, or restrictions on the working or use thereof being imposed, the authorised undertakers to whom the station belonged or belongs, or in the case of the acquisition of a generating station or a main transmission line, or any part thereof, the acquiring authority, do not show to the satisfaction of the referee or board of referees that equivalent employment on the like conditions as those obtaining with respect to him at the date when the generating station was closed or restrictions on the working or use thereof were imposed, or the generating station or main transmission line or part thereof was acquired, was available, there shall be paid to him by those undertakers, or the acquiring authority, such compensation as the referee or board of referees may award, including any expenses which the officer or servant necessarily incurs in removing to another locality :

Provided that, where loss or relinquishment of employment is involved, such compensation shall, in the case of an officer employed on an annual salary, be based on, but not exceed, the amount which would have been payable to a person on abolition of office under the Acts and rules relating to His Majesty's Civil Service in force at the date of the passing of the Local Government Act, 1888, but, in computing the period of service of any officer, service under any authorised undertakers shall be reckoned as service under the authorised undertaker in whose employment he is at the time when the loss or relinquishment of employment occurs; and where any such officer or servant was temporarily absent from his employment whilst serving in or with His Majesty's Forces or the forces of the Allied or Associated Powers, or in any other employment of national importance during the war, such service shall be reckoned as service under the authorised undertakers in whose employment he was immediately before and after such temporary absence.

Any question whether a generating station has been closed or whether any restriction on the working or use thereof has been imposed under or in consequence of this Act shall be determined by the Electricity Commissioners.

4TH SCH.
—*cont.*

Section 43.

S. 7 - - In paragraph (1) for the words from “ The under-
“ takers shall carry ” to the words “ maximum
“ rate of profit ” there shall be substituted the
following words :

“The undertakers shall apply the net surplus remaining in any year and the annual proceeds of the reserve fund when amounting to the prescribed limit—

“(a) in reduction of the charges for the supply of energy; or

“(b) in reduction of the capital moneys borrowed for electricity purposes ; or

“(c) with the consent of the Electricity Commissioners in payment of expenses chargeable to capital; or

“(d) in aid of the local rate :

Provided that—

(i) the amount which may be applied in aid of the local rate in any year shall not exceed one and a-half per cent. of the outstanding debt of the undertaking; and

(ii) after the thirty-first day of March, nineteen hundred and thirty, no sum shall be paid in aid of the local rate unless the reserve fund amounts to more than one-twentieth of the aggregate capital expenditure on the undertaking.

S. 14 - - In paragraph 1 (a) after the words "one month" there shall be inserted "or in the case of service lines, seven days."

SIXTH SCHEDULE.

A.D. 1926.

Section 50.

MINOR AMENDMENTS OF ELECTRICITY (SUPPLY)
ACTS, 1882-1922.

Enactment to be amended.	Nature of Amendment.
-----------------------------	----------------------

Electric Lighting
Act, 1882 (45 & 46
Vict. c. 56) :—

- | | | | |
|------|---|---|--|
| s. 3 | - | - | In paragraph (5), the words “ until after
“ the expiration of a period of three
“ months from the date of the first
“ publication of such advertisement
“ nor ” shall be repealed. |
|------|---|---|--|

Electricity (Supply)
Act, 1919 (9 & 10
Geo. 5. c. 100) :—

- | | | | |
|-------|---|---|--|
| s. 1 | - | - | In subsection (7), after the words “ on
retirement,” there shall be inserted the
words “ or death.” |
| s. 13 | - | - | In subsection (2), after the words “ com-
prising the area of the local authority”
there shall be inserted the words “ or
“ by any amending order under section
“ seven of this Act.” |
| s. 15 | - | - | After paragraph (c) of subsection (1) the
following paragraph shall be inserted :—
(cc) No order authorising the abstrac-
tion of water from any reservoir or other
works used by any statutory water
undertaker for the purposes of the
undertaking shall be made without the
consent of such undertaker (which
consent shall not be unreasonably
refused) and if any question arises as
to the reasonableness of any refusal or
of the terms sought to be imposed as a
condition of giving consent, the question
shall be referred to a single arbitrator
nominated by the Lord Chief Justice, or
in Scotland by the Lord President of the
Court of Session, and in any such order
there shall be inserted such provisions as
the Minister of Health (or, in the case of
Scotland, the Scottish Board of Health)
may consider proper for safeguarding the
interests of the water consumers. |

A.D. 1926	Enactments to be amended.	Nature of Amendment.
6TH SCH. —cont.	Electricity (Supply) Act, 1919 (9 & 10 Geo. 5. c. 100) :—	
	s. 21 -	- After the words “local authority” where they first occur, there shall be inserted the words “(including a county council),” and after the second “local authority” there shall be inserted the words “and (where it is proposed to place the line along or across any county bridge or any main road vested in a county council) the county council.”
	s. 32 -	- In subsection (3), the words “unless it is an order made under section seven of this Act, shall be a special order and” shall be omitted.
	Electricity (Supply) Act, 1922 (12 & 13 Geo. 5. c. 46) :—	
	s. 21 -	- In subsection (1), for the words “not made under the principal Act was in consequence of that Act,” there shall be substituted the words “was made under or in consequence of the principal Act.”
	s. 24 -	- The following proviso shall be inserted :— Provided that such supply shall be used in such manner as not to cause or be likely to cause any interference (whether by induction or otherwise) with any telegraphic line belonging to or used by the Postmaster-General or with telegraphic communication by means of such line. This provision shall not apply to an undertaking or part thereof in respect of which any company or authority is authorised to use electricity by Act of Parliament or by an Order confirmed by or having the effect of an Act of Parliament containing provisions for the protection of the telegraphic lines of the Postmaster General in respect of the use of electricity. In this section “telegraphic line” has the same meaning as in the Telegraph Act, 1878.

SEVENTH SCHEDULE.

A.D. 1926.

Section 51.

RULES FOR DETERMINING THE FIXED KILOWATT
CHARGES COMPONENT, AND THE RUNNING CHARGES
COMPONENT.

1. The cost of production shall be ascertained in accordance with the Second Schedule to this Act.

2. The cost so ascertained shall be allocated as between fixed costs and running costs in accordance with such regulations as may be prescribed by the Electricity Commissioners for the purpose.

3. One-twelfth of the amount of the fixed costs in the year of account, divided by the average of the monthly maximum demands in that year, shall, subject to such variations whether by way of decrease or increase as the Electricity Commissioners may by regulations prescribe, according to the magnitude of the maximum demands of supplies furnished, be the fixed kilowatt charges component.

For the purposes of this provision the "maximum demand in respect of any month" shall be deemed to be twice the largest number of units of electricity supplied from the generating station during any consecutive thirty minutes in that month:

Provided that, if the number of kilowatts of maximum demand so ascertained for any particular month shall be less than the number of kilowatts of maximum demand for any previous month of the same year of account the higher number shall be taken as the maximum demand for the first-mentioned month.

4. The amount of the running costs divided by the number of units supplied from the generating station during the year of account shall be the running charges component.

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