



Electricity Act 1947

1947 CHAPTER 54

PART II

ACQUISITION OF ELECTRICITY UNDERTAKINGS.

Compensation to Holders of Securities.

20 Compensation to holders of securities of bodies other than local authorities.

- (1) Every holder of securities of any body to whom' this Part of this Act applies, not being securities of a local authority or a composite company, shall be entitled to be compensated by the issue to him by the Central Authority, in accordance with the provisions of the Third Schedule to this Act, of British Electricity Stock of such amount as in the opinion of the Treasury is at the vesting date of a value equal to the value of the said securities held by him, regard being had (in estimating the value of the stock so issued) to the market value of government securities at the vesting date:

Provided that—

- (a) if the whole of the beneficial interest in any such securities was, immediately before the vesting date, vested in any body to whom this Part of this Act applies, no compensation shall be payable in respect of those securities and the securities shall be extinguished on the vesting date;
 - (b) if the holder of any such securities was such a body, but the whole of the beneficial interest was not so vested, the stock issued as aforesaid in respect of those securities shall be held by the Central Authority, and the said Schedule shall have effect as if the Authority were the holder of those securities; and
 - (c) any stock issued as aforesaid in respect of securities guaranteed by the Treasury shall be of the same nominal amount, shall carry interest at the same rates and payable at the same dates, and shall if redeemable be redeemed in the same manner and at the same times and by payment of the same amounts, as in the case of the securities.
- (2) For the purposes of this section, the value of any securities of any such body which were quoted in the Stock Exchange Official Daily List on all six of the following

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dates, that is to say, the first, fourth, fifth, sixth, seventh and eighth days of November, nineteen hundred and forty-six, shall, subject as hereinafter provided, be deemed to be the average of the mean of the quotations therefor appearing in the said list on those dates, such addition, if any, being made to that average as is necessary to make it a complete multiple of one penny:

Provided that where—

- (a) quotations for the securities appeared in the said list on any of the following dates hereinafter referred to as " the alternative dates "), that is to say, the fifteenth day of February, the fifteenth day of March, the sixteenth day of April, the fifteenth day of May, the fifteenth day of June, and the sixteenth day of July, nineteen hundred and forty-five; and
- (b) the average mentioned in the foregoing provisions of this subsection is less than the average of the mean of the quotations for the securities appearing in the said list on all the alternative dates on which a quotation therefor so appeared;

the value of the securities for the purposes of this section shall be deemed to be the average of the mean of the quotations therefor appearing in the said list on the alternative dates.

- (3) Where, in the case of any class of securities to which the last foregoing subsection applies, there has been at any time after the eighth day of November, nineteen hundred and forty-six, a fresh issue of securities of that class, the value of every security of that class for the purposes of this section shall, instead of being determined under the last foregoing subsection, be deemed to be the average of the values of all the securities of that class calculated on the basis that—
 - (a) the value of each of the securities comprised in that issue is the price at which it was issued, and
 - (b) the value of the remaining securities is the value which those securities had for the purposes of this section immediately before the issue took place.
- (4) Where, at any time after the eighth day of November, nineteen hundred and forty-six, any securities to which subsection (2) or subsection (3) of this section applies have been converted into securities of a different nominal value—
 - (a) the value of those securities as so converted shall, for the purposes of this section, be deemed to be a value bearing to the value which the securities had for the purposes of this section immediately before the conversion took place the same proportion as the nominal value of the securities as converted bears to the nominal value of the securities immediately before the conversion took place; and
 - (b) the last foregoing subsection shall apply to securities which have been converted as aforesaid, but if a part only of a class of securities has been converted as aforesaid, the converted securities shall, for the purposes of the last foregoing subsection, be treated as securities of a different class from that of the unconverted securities.
- (5) Where a new class of securities has been issued at any time after the first day of November, nineteen hundred and forty-six, the value of securities of that class for the purposes of this section shall be deemed to be the price at which they were issued, and the last two foregoing subsections shall apply to any fresh issue or conversion of securities of that class.

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- (6) If any question arises under any of the last four foregoing subsections as to the value of any securities, it shall be settled by agreement between the Minister and the stockholders' representative appointed under the next following section or, in default of such agreement, determined by arbitration under this Act.
- (7) For the purposes of this section, the value of any securities of any such body, not being securities to which subsection (2), (3), (4) or (5) of this section applies, shall be such value as may be agreed between the Minister and the said stockholders' representative or, in default of such agreement, as may be determined by arbitration under this Act, and the arbitration tribunal, in determining the value of those securities, shall have regard, as far as may be, to the value of securities to which subsection (2) of this section applies (as determined under that subsection), being securities which, as respects all matters affecting their value, are most nearly comparable to the first named securities, and if, in relation to any class of securities to which this subsection applies, such a fresh issue or conversion of securities as is mentioned in subsection (3) or subsection (4) of this section has occurred, the arbitration tribunal shall also have regard, as far as may be, to the manner in which the value of securities is to be determined in cases to which the said subsection (3) or subsection (4) applies.
- (8) In this section—
- the expression " the Stock Exchange Official Daily List " means the publication known as the Stock Exchange Daily List of Officially Quoted Securities which is published by and under the authority of the Council of the Stock Exchange, London;
 - the expression " quotation " has the same meaning as in the said list and, accordingly, does not include the statements of the business that was done;
 - the expression " the mean of quotations " means the average of the two figures shown in the list on the date in question in respect of the security in question under the heading " Quotations ".
- (9) For the purposes of this section and the following provisions of this Part of this Act, the securities of a body to which the same rights attach shall be deemed to constitute a class of securities.

21 Appointment of stockholders' representative.

- (1) In the case of any body to whom this Part of this Act applies, being a body in respect of whose securities compensation is payable under the last foregoing section, there shall be appointed, before such date not later than the vesting date as may be prescribed, an individual, in this Act referred to as the stockholders' representative ", to represent the interests of all holders of securities of that body in connection with the determination of the amount of compensation payable in respect of those securities, any payment made after the vesting date of interest or dividend in respect of those securities, and any other matters arising under this Part of this Act affecting the interests of the holders of those securities, and it shall be the duty of the stockholders' representative, in carrying out his functions under this Part of this Act, to represent the interests of the holders of those securities.
- (2) The stockholders' representative shall be appointed, in the prescribed manner, by the holders of the securities of the body in question:
- Provided that—

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- (a) if those holders of securities fail to appoint a stockholders' representative before the prescribed date, the Minister shall appoint such a representative;
 - (b) in the case of securities issued by the Central Electricity Board, any joint electricity authority, or any joint board of local authorities, the stockholders' representative shall be appointed by the Minister.
- (3) The Minister shall pay out of moneys provided by Parliament to a stockholders' representative such remuneration (whether by way of salary or fees) and such allowances, and such expenses incurred by him in the exercise of his functions, as may be determined by the Minister with the approval of the Treasury, and any sums paid by the Minister under this subsection shall be repaid to him by the Central Authority on demand:

Provided that, in the case of a body whose property, rights, liabilities and obligations vest by virtue of this Act in the North of Scotland Board, the said sums shall be repaid to the Minister by the North of Scotland Board.

- (4) Regulations shall make provision—
- (a) as to the mode of appointment of a stockholders' representative and the notices to be given thereof;
 - (b) as to tenure and vacation of office by a stockholders' representative and the appointment, where the office falls vacant, of a new stockholders' representative;
 - (c) for any other matters relating to the office of stockholders' representative for which provision appears to the Minister to be necessary or expedient, including the exercise of functions through agents.

The regulations made with respect to the matters mentioned in paragraphs (a) and (b) hereof shall be made not less than two months before the date prescribed for the purposes of subsection (1) of this section, but without prejudice to the varying of any such regulations to such extent as may subsequently appear to the Minister to be necessary.

- (5) The Electricity Board in whom any property, rights, liabilities or obligations of any body vest by virtue of this Act, and any person to whom any such property, rights, liabilities or obligations which have so vested have been subsequently disposed of, shall make available to the stockholders' representative such facilities for the examination of and the making of extracts from or copies of books, accounts and documents of the body as he may reasonably require for the purposes of his duties, and such services of persons who were officers of the body and are in the employment of the Board or of the said person as the stockholders' representative, may reasonably require for those purposes.