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STATUTORY INSTRUMENTS

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**1989 No. 2475**

**RATING AND VALUATION**

**The Electricity Supply Industry (Rateable Values) Order 1989**

*Approved by both Houses of Parliament*

Made - - - - 22nd December  
1987  
Coming into force - - 23rd December 1989

The Secretary of State for the Environment as respects England and the Secretary of State for Wales as respects Wales, in exercise of the powers conferred on them by sections 140(4), 143(1) and 146(6) of and paragraph 3(2) of Schedule 6 to the Local Government Finance Act 1988(1), and of all other powers enabling them in that behalf, hereby make the following Order in the terms of a draft laid before, and approved by resolution of, each House of Parliament:—

**PART I**  
**PRELIMINARY**

**Citation and commencement**

1. This Order may be cited as the Electricity Supply Industry (Rateable Values) Order 1989 and shall come into force on the day after the day on which it is made.

**Interpretation**

2. In this Order—

“the Act” means the Local Government Finance Act 1988;

“class of hereditaments” means a class of electricity hereditaments in relation to which an amount is specified in each column of the Schedule;

“designated person” means any person named in the Schedule; and in relation to a class of hereditaments “relevant designated person” means the designated person in occupation of that class;

“electricity hereditaments” means non-domestic hereditaments required by virtue of Part 2 of the Schedule to the Central Rating Lists Regulations 1989(2) to be shown in a central rating list;

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(1) 1988 c. 41. Paragraph 3(2) of Schedule 6 is amended by paragraph 38(13) of Schedule 5 to the Local Government and Housing Act 1989 (c. 42.)  
(2) S.I.1989/2263

“intermediate year”, in relation to a class of hereditaments to which paragraph (a) or (b) of article 6 applies, means any year beginning on or after 1st April 1992 and ending no later than the end of the year in which the rateable value of that class first falls by virtue of any provision in Pat II to be determined in accordance with the standard formula;

“relevant year” means any year for which a rateable value falls to be determined in accordance with this Order, and “relevant preceding year” means the year preceding a relevant year;

“the standard formula” has the meaning given by article 5;

“year” means a chargeable financial year;

any reference to hereditaments occupied by a person includes a reference to hereditaments which, if unoccupied, are owned by that person, references to occupation being construed accordingly; and

any reference to a company by name is to the company bearing that name at the date of the Central Rating Lists Regulations 1989.

### **Rounding of numbers**

3. Where (apart from this article) any rateable value determined under this Order would include a fraction of a pound—

- (a) the fraction shall be made up to one pound if it would exceed 50p, and
- (b) the fraction shall be ignored if it would be 50p or less.

### **Disapplication of normal basis of valuation**

4. In the case of electricity hereditaments, paragraphs 2 to 2B of Schedule 6 to the Act(3) shall not apply, and the rateable values of such hereditaments shall be as determined under the following provisions of this Order.

## **PART II**

### **INITIAL RATEABLE VALUES**

#### **Interpretation**

5. In this Part—

(a) in any formula—

B is the figure applicable in relation to the relevant year for the purposes of paragraph 5(3) of Schedule 7 to the Act;

C is the figure applicable in relation to the relevant year for the purposes of paragraph 5(4) of Schedule 7 to the Act;

I is the figure for the retail prices index for September in the relevant preceding year;

and in relation to any class of hereditaments—

R is the recalculation factor applicable to that class determined under Part IV in respect of the relevant preceding year;

RV is the rateable value of that class in the relevant preceding year; and

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(3) Paragraph 2 is amended and paragraphs 2A and 2B inserted by paragraph 38(3) to (11) of Schedule 5 to the Local Government and Housing Act 1989.

(b) T is the amount specified in relation to a class of hereditaments in column 1 of the Schedule;

U is the recalculation factor applicable to that class determined in accordance with Part IV in respect of the relevant year; and

“the standard formula” means the formula  $T + U$ .

### Rateable values in 1990/1

6. In relation to each class of hereditaments—

(a) Where T is greater than the relevant maximum amount calculated in relation to that class under article 7, the rateable value of that class in the year beginning on 1st April 1990 shall be the relevant maximum amount;

(b) where T is less than the relevant minimum amount calculated in relation to that class under article 7, the rateable value of that class in the year beginning on 1st April 1990 shall be the relevant minimum amount;

(c) where neither paragraph (a) nor paragraph (b) applies, and in any case where there is no amount specified in relation to the class in column 2 of the Schedule, the rateable value of that class in that year shall be T.

7. The relevant maximum amount in respect of a class of hereditaments is the amount produced by calculating in accordance with the formula—

$$\frac{1.2A}{M}$$

and the relevant minimum amount in respect of a class of hereditaments is the amount produced by calculating in accordance with the formula—

$$\frac{0.895A}{M}$$

where

A is the amount specified in relation to that class in column 2 of the Schedule, and M is the non-domestic rating multiplier applicable to that class in pursuance of paragraph 2 of Schedule 7 to the Act.

### Increasing rateable values

8.—(1) This article applies to any class of hereditaments in relation to which the rateable value in the year beginning on 1st April 1990 is determined as provided in paragraph (a) of article 6.

(2) The rateable value in the year beginning on 1st April 1991 of any class of hereditaments to which this article applies shall be determined in accordance with paragraph (3).

(3) For the purposes of paragraph (2), where in relation to a class of hereditaments a calculation in respect of that year according to formula 1, that is to say—

$$RV \times 1.2 \left( 1 + \frac{I - B}{C} \right) + U$$

produces an amount less than that produced by a calculation in accordance with the standard formula, the rateable value of that class of hereditaments in that year shall be the amount calculated in accordance with formula 1; and in any other case that rateable value shall be the amount calculated in accordance with the standard formula.

**9.—(1)** This article applies to any class of hereditaments in relation to which the rateable value in the year beginning on 1st April 1991 falls in pursuance of article 8 to be determined in accordance with formula 1.

(2) The rateable value in any intermediate year of any class of hereditaments to which this article applies shall be determined in accordance with paragraph (3).

(3) Where in relation to a class of hereditaments and any such year a calculation in respect of that year according to formula 2, that is to say—

$$(RV - R) \times 1.2 \left( 1 + \frac{I - B}{C} \right) + U$$

produces an amount less than that produced by a calculation in respect of that year in accordance with the standard formula, the rateable value of that class of hereditaments in that year shall be the amount calculated in accordance with formula 2; and in any other case it shall be the amount calculated in accordance with the standard formula.

#### **Decreasing rateable values**

**10.—(1)** This article applies to any class of hereditaments mentioned in the Schedule in relation to which the rateable value in the year beginning on 1st April 1990 is determined as provided in paragraph (b) of article 6.

(2) The rateable value in the year beginning on 1st April 1991 of any class of hereditaments to which this article applies shall be determined in accordance with paragraph (3).

(3) For the purposes of paragraph (2), where in relation to a class of hereditaments a calculation in respect of that year according to formula 3, that is to say—

$$RV \times 0.87 \left( 1 + \frac{I - B}{C} \right) + U$$

produces an amount greater than that produced by a calculation in accordance with the standard formula, the rateable value of that class of hereditaments shall be the amount calculated in accordance with formula 3; and in any other case it shall be the amount calculated in accordance with the standard formula.

**11.—(1)** This article applies to any class of hereditaments in relation to which the rateable value in the year beginning on 1st April 1991 falls in pursuance of article 10 to be determined in accordance with formula 3.

(2) The rateable value in any intermediate year of any class of hereditaments to which this article applies shall be determined in accordance with paragraph (3).

(3) Where in relation to a class of hereditaments and any such year a calculation according to formula 4, that is to say—

$$(RV - R) \times 0.87 \left( 1 + \frac{I - B}{C} \right) + U$$

produces an amount greater than that produced by a calculation in accordance with the standard formula, the rateable value of that class of hereditaments in that year shall be the amount calculated in accordance with formula 4; and in any other case it shall be the amount calculated in accordance with the standard formula.

## PART III

### GENERAL PROVISION FOR RATEABLE VALUES

12. In the case of—

- (a) any class of hereditaments to which paragraph (c) of article 6 applies, in any year beginning on or after 1st April 1991,
- (b) any class of hereditament the rateable value of which falls in pursuance of article 8(3) or 10(3) to be determined in accordance with the standard formula, in any year beginning on or after 1st April 1992, and
- (c) any class of hereditaments to which article 9 or 11 applies, in any year beginning after an intermediate year,

the rateable value of that class in such a year shall be the amount produced by calculating in respect of that year in accordance with the standard formula.

## PART IV

### ANNUAL RECALCULATION OF RATEABLE VALUES

#### Electricity generating hereditaments

13.—(1) In relation to each class of hereditament mentioned in division A of Part I or division A of Part II of the Schedule, the recalculation factor in respect of any relevant year shall be the figure produced for that class by calculating in accordance with the formula—

$$£12,810 \left( \frac{D - d}{K} \right)$$

where—

D is the total net capacity of the relevant designated person on 31st March in the relevant preceding year, and

d is the total net capacity of that person on 31st March 1990.

(2) In this article—

“total net capacity”, in relation to a designated person, means the total declared net capacity of all generating plant occupied by that person; and

“declared net capacity” means the highest generation of electricity (at the main alternator terminals) which can be maintained indefinitely without causing damage to the plant, less so much of that capacity as is consumed by the plant,

in each case expressed in megawatts to the nearest one hundredth part of a megawatt.

#### Electricity transmission hereditaments

14. In relation to each class of hereditament mentioned in division B of Part I or division B of Part II of the Schedule, the recalculation factor in respect of any relevant year shall be the figure produced for each class by calculating in accordance with the formula—

$$T \left( \frac{k - K}{K} \right)$$

where

T is the amount specified in relation to that class in column 1 of the Schedule;

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k is the estimated number of circuit kilometres of main transmission line occupied by the relevant designated person on 31st March in the relevant preceding year; and

K is the estimated number of circuit kilometres of main transmission line occupied by that person on 31st March 1990.

### **Electricity distribution hereditaments**

**15.** In relation to each class of hereditament mentioned in division C of Part I or division C of Part II of the Schedule, the recalculation factor in respect of any relevant year shall be the figure produced by calculating in accordance with the formula—

$$T \left( \frac{v - V}{V} \right)$$

where

T is the amount specified in relation to that class in column 1 of the Schedule;

v is the estimated installed transformer capacity (measured in kilovolt-amperes) of all the electricity transformation plant occupied by the relevant designated person on 31st March in the relevant preceding year; and

V is the estimated installed transformer capacity (measured in kilovolt-amperes) of such plant on 31st March 1990.

21st December 1989

*Chris Patten*  
Secretary of State for the Environment

22nd December 1989

*Peter Walker*  
Secretary of State for Wales

## SCHEDULE

Articles 5 to 7

Classes of electricity hereditaments	Specified amounts in millions	
	Column 1 £	Column 2 £
PART I. HEREDITAMENTS TO BE ENTERED IN THE CENTRAL RATING LIST FOR ENGLAND		
A. ELECTRICITY GENERATING HEREDITAMENTS		
Hereditaments occupied by the Power Generation Company plc	223.5	64.529872
B. ELECTRICITY TRANSMISSION HEREDITAMENTS		
Hereditaments occupied by the National Grid Company plc	196.2	65.057865
C. ELECTRICITY DISTRIBUTION HEREDITAMENTS		
Hereditaments occupied by:—		
Eastern Electricity plc	53.68	28.152176
East Midlands Electricity plc	37.09	25.164598
London Electricity plc	42.55	29.649736
Manweb plc	19.06	16.076513
Midlands Electricity plc	44.6	25.567912
Northern Electric plc	28.93	20.692517
NORWEB plc	40.17	33.719755
SEEBOARD plc	31.69	17.172449
Southern Electric plc	48.08	22.833461
South Wales Electricity plc	0.07	—
South Western Electricity plc	29.44	11.849523
Yorkshire Electricity Group plc	45.58	32.980837
PART II. HEREDITAMENTS TO BE ENTERED IN THE CENTRAL RATING LIST FOR WALES		

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Classes of electricity hereditaments	Specified amounts in millions	
	Column 1 £	Column 2 £
<b>A. ELECTRICITY GENERATING HEREDITAMENTS</b>		
Hereditaments occupied by the Power Generation Company plc	2.3	0.168502
<b>B. ELECTRICITY TRANSMISSION HEREDITAMENTS</b>		
Hereditaments occupied by the National Grid Company plc	65.3	9.883598
<b>C. ELECTRICITY DISTRIBUTION HEREDITAMENTS</b>		
Hereditaments occupied by:—		
Manweb plc	7.79	3.259232
Midlands Electricity plc	0.54	—
South Wales Electricity plc	19.16	13.258902

### EXPLANATORY NOTE

*(This note is not part of the Order)*

Under paragraph 3(2) of Schedule 6 to the Local Government Finance Act 1988, the Secretary of State may by order provide in the case of non-domestic hereditaments to be shown in the central rating lists for England and Wales that the normal rules of valuation for rating contained in paragraphs 2 o 2B of that Schedule shall not apply, and instead their rateable value shall be such as is specified, or determined in accordance with rules set out, in the order.

Article 4 provides that paragraphs 2 to 2B shall not apply in respect of electricity hereditaments entered on the central rating list for England or the central rating list for Wales in accordance with the Central Rating Lists Regulations 1989, and that the rateable value of such hereditaments isto be determined in accordance with the Order.

Part II sets out formulae for determining the rateable values of electricity hereditaments occupied (or, if unoccupied, owned) by electricity companies by reference to the figures in columns 1 and 2 of the Schedule to the Order. The amount specified in column 1 (the target amount) provides the bais for calculating the ultimate rateable value for each such class of hereditament, and column 2



specifies an amount (the base amount) which has been calculated by reference to the amount payable by each company by way of rates in the financial year 1989/90

For 1990/1 the rateable value of any class of hereditaments is the target amount, unless that amount exceeds by more than 20 per cent. (or is less than 89.5 per cent. of) the base amount divided by the national non-domestic rating multiplier applicable for that year under the 1988 Act, in which case it is the latter. Where the target amount does not apply in 1990/91, the transitional provisions of articles 8 to 11 apply for later years until the year in which they produce an amount which falls below (or exceeds) the amount produced by the standard formula (the target figure adjusted for that year in accordance with Part IV). For that year and later years the standard formula applies.

Part IV provides for annual adjustment by reference to variations in generating, transforming or transmitting capacity.