



North East Lincolnshire Water Act 1969

CHAPTER II

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ELIZABETH II



1969 CHAPTER II

to make provision with respect to the supply by the North East Lincolnshire Water Board of water for non-domestic purposes in pursuance of agreements made under section 27 of the Water Act 1945; and for other purposes. [25th July 1969]

WHEREAS—

(1) By the North East Lincolnshire Water Act and Orders 1966, the North East Lincolnshire Water Board (herein referred to as "the Board") are the authorised undertakers of the supply of water in the county borough of Grimsby and in certain areas in the county of Lincoln, Parts of Lindsey:

(2) In pursuance of certain agreements, of which particulars (as they now have effect) are set out in Schedule 1 to this Act, the Board supply water for use for industrial purposes in accordance with section 27 of the Water Act 1945, terms and conditions 1945 c. 42. obtained in the first such agreement having been determined in 1955 by the Minister of Housing and Local Government (hereafter referred to as "the Minister") on the reference to a question arising under that section:

(3) The said terms and conditions include provision for sharing between any industrial consumers, who for the time being take water from the Board on similar terms and conditions, the capital charges and other outgoings of the Board in respect of works provided for the purpose of affording supplies to all such consumers, it being intended that the Board should thereby be protected against loss in connection with such supplies:

(4) Since the making of the first such agreement in 1955, other agreements have been made without further reference to the Minister containing financial terms and conditions similar to those of the first agreement, and in this way a scheme for the supply by the Board of water for industrial purposes (hereinafter referred to as "the industrial supply scheme") has been developed:

(5) Question having arisen as to the manner in which, in view of certain wording in the first such agreement, the cost of certain new works to augment industrial supplies should be charged to consumers under the industrial supply scheme, the Minister in a letter dated 27th November, 1967, determined that no contribution was payable in respect of such works by consumers taking supplies to which the wording of that agreement applied:

(6) The said determination has rendered it impracticable for the Board to carry on the industrial supply scheme in the manner in which it was intended to operate and in compliance with all the said existing agreements, and it is accordingly expedient to make provision for the variation of those agreements in the manner provided in this Act, including provision to regulate the relationships of consumers participating in the industrial supply scheme:

(7) Circumstances may arise whereby the financial or other advantages derived by consumers participating in the industrial supply scheme disappear or become slight: these or other circumstances may render it inexpedient to retain the provisions of the said scheme for the separate costing of works used to provide supplies of water for industrial purposes and it is accordingly expedient to make further provision, as contained in this Act, for the adoption of an alternative basis of charge for such supplies:

(8) It is expedient to enact the other provisions contained in this Act:

(9) The purposes of this Act cannot be effected without the authority of Parliament:

(10) Notice of the provisions of the Bill for this Act was, on or before 25th November, 1968, duly given to each and all of the parties to the existing agreements hereinbefore referred to or to the persons having the benefit of the said agreements:

May it therefore please Your Majesty that it may be enacted, and be it enacted, by the Queen'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:—

1.—(1) This Act may be cited as the North East Lincolnshire Water Act 1969.

Short and collective titles and commencement.

(2) The North East Lincolnshire Water Act and Orders 1937 to 1966 and this Act may be cited together as the North East Lincolnshire Water Acts and Orders 1937 to 1969.

(3) This Act shall be deemed to have had effect on and from 1st April, 1969.

2.—(1) In this Act, unless the context otherwise requires—

Interpretation.

“Act of 1937” means the Grimsby Corporation (Grimsby, Cleethorpes and District Water &c.) Act 1937;

1937 c. xli.

“Board” means the North East Lincolnshire Water Board;

“existing agreements” means the agreements referred to in Schedule 1 to this Act;

“first agreement” means the existing agreement dated 1st April, 1955, and made between the Board, Fisons Limited and Laporte Titanium Limited;

“fifth agreement” means the existing agreement dated 18th February, 1958, and made between the Board and Laporte Titanium Limited;

“Minister” means the Minister of Housing and Local Government;

“standard terms and conditions” means the terms and conditions specified in Schedule 2 to this Act and includes those terms and conditions as varied by any order made under section 5 (Adoption of uniform pricing) of this Act;

“year” means a period of twelve months beginning on 1st April.

(2) Unless the context otherwise requires, any reference in this Act to any enactment shall be construed as a reference to that enactment as applied, extended, amended or varied by, or by virtue of, any subsequent enactment, including this Act, and any reference in this Act to any agreement shall be construed as a reference to that agreement as applied, extended, amended or varied by any subsequent agreement:

provided always that, in as much as the fifth agreement applied the incorporated provisions of the first agreement, any reference in this Act to the first agreement shall be construed as a reference

to that agreement alone and not as including the fifth agreement and any reference in this Act to the fifth agreement shall be construed as a reference to that agreement alone and not as including the first agreement.

Continuance of obligations to supply water under existing agreements.

3. The obligation of the Board to supply the quantity of water which they are now required to supply under each of the existing agreements shall continue to have full force and effect subject to and in accordance with, the provisions of each such agreement as varied in accordance with this Act or by agreement between the parties.

Variation of existing agreements.

4.—(1) Subject to the provisions of this Act, each of the existing agreements shall be varied by the substitution, for the corresponding terms and conditions thereof, of the standard terms and conditions, and Schedule 2 to this Act shall accordingly apply to each such agreement.

(2) In the case of the first and the fifth agreements clause (Continuity of supply) of the standard terms and conditions shall have effect as if there were inserted the following additional sub-clause to give effect to provision contained in those agreements to which clause 1 (Interpretation) of the standard terms and conditions corresponds:—

“(4) Water supplied under the agreement shall, unless otherwise agreed by the consumer, be drawn from an underground source, substantially of the quality and nature in which it is taken from such source and supplied without being previously used for any other purpose.”

(3) In the case of the first agreement the standard terms and conditions shall have effect as if in clause 11 (Computation of reservation charge) and clause 12 (Computation of running charge) thereof—

(a) the references therein to the works provided or used by the Board for supply to special industrial consumers were references to the works so provided or used on 31st March, 1964, and to any other works to the extent to which it may from time to time be reasonably necessary for the Board to provide or use such other works wholly or in part, for the supplies for which those first-mentioned works were then so provided or used; and

(b) the references therein to special industrial consumers were references to consumers having reserved quantities amounting in aggregate to 13.086 million gallons per day.

(4) Sum equal to the differences between—

(a) the amounts payable to the Board in respect of reservation charges and running charges for any year under the first agreement as having effect in accordance with the foregoing provisions of this section; and

(b) the amounts which would have been so payable but for the provisions of subsection (3) of this section;

shall be special expenses chargeable for that year under the standard terms and conditions, as to the sum representing a difference between amounts payable in respect of reservation charges, as a reservation charge and, as to the sum representing a difference between amounts payable in respect of running charges, as a running charge.

(5) In the case of the existing agreement dated 14th November, 1956, and made between the Board and Courtaulds Limited, clause 7 (Prohibition on sale of water) of the standard terms and conditions shall have effect as if for the words "any other person" there were substituted the words "any person other than its subsidiary or associated companies".

(6) In the case of the existing agreement dated 17th September, 1956, and made between the Board and the former British Transport Commission (now the British Transport Docks Board), clause 7 (Prohibition on sale of water) of the standard terms and conditions shall have effect as if before the words "The consumer" there were inserted the words "Except for the purpose of supplying water to persons using Immingham Docks".

(1) The Minister, on an application made to him by the Board or by any one or more special industrial consumers entitled to take supplies from the Board amounting to not less than twenty-five per centum of the aggregate of the reserved quantities of all the special industrial consumers, may by order provide for the variation of all agreements to which Schedule 2 to this Act applies by the substitution, for the terms and conditions set out in Part III (Financial) of that schedule, of the terms and conditions set out in Schedule 3 to this Act subject to such modifications as may be specified in the order. Adoption of uniform pricing.

(2) Any order made under this section may contain such incidental, consequential and supplementary provisions as the Minister thinks necessary or expedient and may be made in combination with any order made under the Water Acts 1945 to 1958.

(3) (a) The provisions of Part I (except paragraph 1 thereof) of Schedule 1 to the Water Act 1945 shall apply to any order made under this section and any such order shall, in the circumstances specified in paragraph 8 of the said schedule, be subject to special parliamentary procedure. 1945 c. 42.

(b) For the purposes of this subsection the provisions of said Part I shall have effect as if in paragraph 3 (b) of the schedule (which requires the service of notice of an application on the local authorities of counties and districts wholly or partly within the limits of supply of the Board) after the reference to such local authorities there were inserted reference to each special industrial consumer or, in the case of an application made by special industrial consumers, each of the other special industrial consumers.

(4) In this section expressions to which meanings are assigned by clause 1 (Interpretation) of Schedule 2 to this Act have the same respective meanings.

Repayment
of deficit
contributions.

6. Whereas, following the determination of the Minister on 27th November, 1967, hereinbefore recited, the accounts of the industrial supply scheme are in deficit and part of the said deficit has been apportioned by the Board to the consumers entitled to receive supplies of water under the existing agreements other than the first and fifth agreements:

Now therefore, as soon as may be after the passing of this Act, the Board shall repay, to each of the consumers by whom any sum apportioned to them in respect of the said deficit has been paid before the passing of this Act, the sum so paid by them, with interest on such sum at the rate of one-half per cent. over the bank rate for the time being as from the expiration of one month from the passing of this Act to the date of such repayment.

Power to
borrow.
1933 c. 51.

7.—(1) In addition and without prejudice to their powers of borrowing under the Local Government Act 1933 (as applied to the Board by the Act of 1937), the Board may borrow without the consent of any sanctioning authority, for any of the purposes specified in column (1) of the following table, the sum specified in relation thereto in column (2) of that table.

(2) Every sum borrowed under subsection (1) of this section shall be repaid within the period of three years from the date of borrowing.

(3) Subject to the provisions of this section, Part IX of the Local Government Act 1933 shall have effect as if money borrowed under this section were borrowed under that Part.

(4) Interest accruing and repayment instalments payable in each year on money borrowed under this section shall be a special expense chargeable in that year under the standard terms and conditions as a reservation charge.

(5) It shall not be lawful to exercise the powers of borrowing conferred by this section, other than the power of borrowing to

pay the costs, charges and expenses of this Act, except in compliance with any order for the time being in force under section 1 of the Borrowing (Control and Guarantees) Act 1946. 1946 c. 58.

| Purpose for which money may be borrowed | Amount |
|---|-------------------|
| (1) | (2) |
| The payment of sums payable under section 6 (Repayment of deficit contributions) of this Act, after deduction of interest so payable, and the funding of a part of the deficit in the accounts of the local supply scheme remaining as at 31st March 1969 | The sum required. |
| The payment of sums payable under section 9 (Costs of Act) of this Act | The sum required. |

Section 103 (Price of supply by measure) of the Act of Amendment 1937 shall be amended as follows:— of Act of 1937.

At the beginning of the section there shall be inserted the words "For the purposes of Part XII of the Third Schedule to the Water Act 1945, as applied to the water undertaking 1945 c. 42. by the North East Lincolnshire (Water Charges) Order 1959 and the North East Lincolnshire Water Order 1960."

The costs, charges and expenses preliminary to, and of and incidental to, the preparing, applying for, obtaining and passing of this Act as taxed and ascertained by the taxing officer of the House of Lords or of the House of Commons shall be paid by the Board out of moneys to be borrowed under this Act. Costs of Act.

SCHEDULES

Section 2.

SCHEDULE 1

PARTICULARS OF EXISTING AGREEMENTS

| Date (1) | Parties to agreement (2) | Maximum quantity to be supplied in million gallons per day (3) | Consumer entitled to supply at passing of Act (4) |
|-------------------------|---|---|--|
| 1.—1st April, 1955 | The Board, Fisons Limited and Laporte Titanium Limited | 0.72 1.80 | Fisons Limited Laporte Industries Limited |
| 2.—14th November, 1956 | The Board and Courtaulds Limited | 4.286 | Courtaulds Limited |
| 3.—16th April, 1957 | The Board and British Titan Products Company Limited | 2.0 | British Titan Products Company Limited |
| 4.—17th September, 1957 | The Board and the British Transport Commission | 0.20 | British Transport Docks Board |
| 5.—18th February, 1958 | The Board and Laporte Titanium Limited | 1.20 | Laporte Industries Limited |
| 6.—20th September, 1960 | The Board, Birds Eye Foods Limited and Eskimo Foods Limited | 1.28 1.60 | Birds Eye Foods Limited Emsus Limited |
| 7.—1st January, 1964 | The Board and Laporte Titanium Limited | 2.0 | Laporte Industries Limited |
| 8.—31st December, 1965 | The Board and Fisons Fertilizers Limited | 1.28 | Fisons Limited |
| 9.—21st November, 1967 | The Board and Peter Dixon and Son Limited | 1.0 | Peter Dixon and Son Limited |

SCHEDULE 2

Sections 2, 4
and 5.

STANDARD TERMS AND CONDITIONS OF INDUSTRIAL SUPPLY SCHEME

PART I

INTERPRETATION

(1) In this Schedule, unless the subject or context otherwise requires— Interpretation.

"the Act" means the North East Lincolnshire Water Act 1969;

"the agreement" means the agreement for supply between the Board and the consumer to which this Schedule applies;

"Board" means the North East Lincolnshire Water Board;

"consumer" means the special industrial consumer with whom the agreement is made and any person to whom the consumer's rights and obligations under the agreement are assigned under clause 19 (Transfer of rights by consumer) of this Schedule;

"day" means a period of twenty-four hours commencing at midnight;

"Minister" means the Minister of Housing and Local Government;

"reserved quantity" in relation to the consumer means the maximum daily quantity of water which the Board are from time to time obliged to supply to the consumer under the agreement, and in relation to any other special industrial consumer means the maximum daily quantity of water which the Board are from time to time obliged to supply to such other consumer under any agreement to which this Schedule applies;

"the standard terms and conditions" means the terms and conditions specified in this Schedule and includes those terms and conditions as varied by any order made under section 5 (Adoption of uniform pricing) of the Act;

"special industrial consumers" means the consumer and any other person who—

(a) may be entitled to require a supply of water for purposes other than domestic purposes from the Board under section 27 of the Water Act 1945; and

1945 c. 42.

(b) has entered into, or is prepared to enter into, an agreement to which this Schedule applies for such supply;

and "other special industrial consumers" means special industrial consumers other than the consumer in respect of rights and obligations under the agreement, and includes the consumer in respect of rights and obligations under any other agreement to which this Schedule applies;

"year" in relation to matters of finance means a year ending on the 31st day of March.

(2) References in this Schedule to any agreement to which this Schedule applies are references to any agreement made before the commencement of the Act to which this Schedule applies by virtue of the Act or to any agreement made after the commencement of the Act to which this Schedule applies by virtue of the agreement.

Sec. 2
—cont.

PART II

SUPPLY TO THE CONSUMER

Continuity of
supply.

2.—(1) Subject as provided in sub-clause (3) of this clause and clause 5 (Maintenance of supply) of this Schedule, the reserved quantity of water shall be made available by the Board to the consumer in a regular and continuous flow throughout every day.

(2) Water so supplied by the Board shall be supplied at a pressure sufficient for delivery at all times to a height of not less than 10 feet above ordnance datum at the point of delivery.

(3) The consumer may, with the consent of the Board, which shall not be unreasonably withheld, from time to time in an emergency, to accommodate the works output programme of the consumer, temporarily to take the said supply or take the supply at a rate different from the rate specified in the agreement or otherwise agreed between the Board and the consumer.

Provided that the consumer shall use best endeavours to keep the rate of the pumping of water steady and shall do whatever is reasonable and necessary to enable the Board to follow normal waterworks practice in affording supply at the rates from time to time required by the consumer.

Provision of
tank at point
of delivery.

3. The consumer shall provide a tank of a type and capacity approved by the Board so designed and constructed as to prevent any direct contact between the Board's mains and the supply pipes of the consumer (other than the pipes of the consumer provided for conveying water from the meter referred to in sub-clause (1) of clause 4 (Meters) of this Schedule to the said tank), and shall maintain such tank to the reasonable satisfaction of the Board.

Meters.

4.—(1) For the purposes of the agreement and this Schedule, water shall be measured by meters to be provided, fixed and maintained by the Board at—

(a) points on or near the works provided or used by the Board for supplies to special industrial consumers so that the total quantities of water taken for supply from such works shall pass through such meters; and

(b) a point or points within the consumer's premises specified in the agreement or otherwise agreed between the Board and the consumer so that the total quantity of water supplied under the agreement shall pass through such meter or meters.

(2) The meters shall be read by the Board at least once in each month.

(3) The register of the meters shall be prima facie evidence of the quantity of water supplied.

(4) The meters shall be under the control of the Board and shall be kept in good repair, working order and condition and renewed when necessary by them.

(5) The consumer shall be at liberty at all reasonable times to inspect the meters and to require the accuracy of the same to be tested.

(6) Any question arising between the Board and the consumer with respect to the quantities of water shown by the meters as having been

SCH. 2
—cont.

supplied from the works provided or used by the Board for supplies to special industrial consumers or supplied under the agreement (as the may be) shall be determined under section 59 (Register of meter evidence) of the Third Schedule to the Water Act 1945, as 1945 c. 42. incorporated in the enactments relating to the Board.

(1) The Board shall at all times maintain the supply under the agreement unless and except to such extent as they may be prevented by Maintenance of supply.

Reason of—

- (a) the prior demands of domestic consumers to the extent to which under sub-clause (2) of this clause those demands take priority over the supply under the agreement; or
- (b) frost, unusual drought, unavoidable cause or accident or the execution of works which are reasonably necessary for the maintenance, improvement or extension of supplies.

(2) Notwithstanding anything in the agreement, if the Minister decides that an emergency exists, the Board may, from the works provided or used for supplies to special industrial consumers or from any of such works, supply water for domestic purposes in any part within their limits of supply as from time to time authorised in priority to the supply to the consumer and other special industrial consumers until such time as the Minister decides that the emergency has ceased.

(3) If there shall be any failure, reduction or interruption of the supply under the agreement by reason of any of the matters referred to in sub-clause (1) of this clause, the Board shall use their best endeavours to restore such supply and to secure that the supplies to the consumer and to other special industrial consumers shall be abated in proportion to their reserved quantities.

Except in case of emergency the Board shall give notice in writing to the consumer as long as possible and in any case not less than ten days before commencing to carry out any works necessary for maintenance, improvement or extension of supplies which will, or be likely to, interfere with the maintenance of the supply under the agreement. Notice of works.

The consumer shall not, without the prior consent of the Board, consent not to be unreasonably withheld, sell or otherwise dispose of or use by any other person water supplied by the Board under the agreement. Prohibition on sale of water.

PART III
FINANCIAL

(1) For the purpose of calculating the sums to be paid by the special industrial consumers, the Board shall keep such separate accounts as may be necessary to enable the liability of the consumer in respect of the supply provided under the agreement, and of the other special industrial consumers in respect of supplies provided to them, to be ascertained, and a copy of the accounts of all expenditure of the Board in connection with supplies to special industrial consumers, whether incurred on capital or revenue account, shall be furnished annually to the consumer. Separate accounts.

SCH. 2
—cont.

(2) Any of the special industrial consumers and their authorised agents shall be entitled at all reasonable times to inspect such accounts and all relevant records relating thereto.

Objection to
accounts.

9.—(1) The consumer may, within two months of the receipt of the Board of the annual accounts referred to in clause 8 (Special accounts) of this Schedule, object to the accounts.

(2) Any dispute arising between the Board and the consumer in connection with an objection under this clause shall be dealt with in accordance with the provisions of clause 17 (Reference of certain disputes) of this Schedule but, in considering any such dispute referred to him under the said clause 17, the arbitrator shall disregard any submission that new works, or any part thereof, are not required wholly or in part for the provision of supplies to special industrial consumers and any submission or other matter which appears to him to be to a similar effect.

(3) An objection to the accounts under this clause, or any dispute arising in connection therewith, shall not relieve the consumer from liability to pay to the Board on the due date any sum shown by such accounts to be payable and, if in consequence of such objection or dispute or otherwise the accounts are adjusted, any amount therein shown to have been overpaid by the consumer shall be repaid to the consumer by the Board and any amount thereby shown to have been underpaid by the consumer shall be paid by the consumer to the Board.

Payments by
consumer.

10.—(1) The consumer shall in each year pay to the Board in respect of the supply of water under the agreement—

(a) a reservation charge computed in accordance with clause 12 (Computation of reservation charge) of this Schedule; and

(b) a running charge computed in accordance with clause 13 (Computation of running charge) of this Schedule;

after making allowance for payments on account made under clause 10 (Quarterly payments) of this Schedule.

(2) The payment of the reservation charge shall be a continuing liability of the consumer irrespective of the quantity of water taken under the agreement but the charge shall be abated proportionally if the Board are unable on any day, except by reason of the act or default of the consumer (including any cessation or reduction of supply under sub-clause (3) of clause 2 (Continuity of supply) of this Schedule), to supply the reserved quantity to the consumer.

Computation
of reservation
charge.

11. The reservation charge shall be computed in respect of each year as follows:—

(1) There shall be ascertained for each year the aggregate of—

(a) the following expenses in relation to the work provided or used by the Board for supply to special industrial consumers:—

(i) the interest accruing on all loans raised by the Board in respect of such works other than mains;

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—cont.

(ii) the annual or half-yearly sinking fund or repayment instalments in respect of the loans referred to in sub-paragraph (a) (i) of this paragraph;

(iii) any charges payable by the Board to a river authority under the provisions of the Water Resources Act 1963 in respect of the works, or any part thereof, so provided or used; 1963 c. 38.

(iv) the interest accruing on all loans raised by the Board in respect of mains constructed or used for the purpose of supplies to special industrial consumers;

(v) the annual or half-yearly sinking fund or repayment instalments in respect of the loans referred to in sub-paragraph (a) (iv) of this paragraph;

(vi) the cost of maintenance, repair and renewal of the mains and meters provided for the purpose of supplies to special industrial consumers; and

(b) special expenses which, in accordance with the provisions of subsection (4) of section 4 (Variation of existing agreements) or subsection (4) of section 7 (Power to borrow) of the Act, are chargeable as a reservation charge;

(2) There shall be ascertained for each year the aggregate of the reserved and other quantities of water comprising—

(a) The reserved quantity of the consumer under the agreement;

(b) The reserved quantity of each other special industrial consumer;

(c) The average daily quantity of water taken by the Board from the works provided or used for supply to special industrial consumers and supplied to consumers other than the special industrial consumers, such quantity being computed by deducting the quantity supplied to the special industrial consumers from the total output of such works less five per centum for leakage;

(3) From the aggregate expenses ascertained under paragraph (1) of this clause there shall be deducted, where applicable—

(a) such proportion of the expenses comprised in sub-paragraphs (1) (a) (i) and (ii) thereof relating to any works provided or used for supply to special industrial consumers as the difference between the cost of those works and the estimated cost as at the date of construction of those works of providing other works capable of producing a quantity of water equivalent to the aggregate of—

(i) that part of the reserved quantities of the special industrial consumers for which provision is made by those first-mentioned works; and

(ii) the average daily quantity of water taken by the Board in the year concerned from those first-mentioned

SCH. 2
—cont.

works and supplied to consumers other than the special industrial consumers computed in the manner provided in paragraph (2) (c) of this clause:

bears to the cost of those first-mentioned works;

(b) such proportion of the expenses comprised in paragraphs (1) (a) (i) and (ii) of this clause (as reduced, where applicable in accordance with sub-paragraph (a) of paragraph (3) of this clause) as the average daily quantity of water supplied to consumers other than the special industrial consumers as computed in accordance with sub-paragraph (2) (c) of this clause, bears to the aggregate of the reserved and other quantities as computed in accordance with sub-paragraph (2) (a), (b) and (c) of this clause:

(4) The reservation charge payable by the consumer shall be such proportion of the aggregate expenses ascertained under paragraph (1) of this clause (as reduced, where applicable under paragraph (3) thereof) as the reserved quantity of water for the consumer under the agreement bears to the aggregate of the reserved quantities of all the special industrial consumers.

Computation
of running
charge.

12. The running charge shall be computed in respect of each year as follows:—

(1) There shall be ascertained for each year the aggregate of—

(a) the following expenses in relation to the water provided or used by the Board, and water purchased by the Board, for supply to special industrial consumers:—

(i) rents, easements and other similar expenses;

(ii) an appropriate charge in respect of rates;

(iii) the cost of treating and pumping water, including the cost of chemicals, electricity or other fuel, wages, repairs, maintenance and of renewals not charged to the account, but not including any cost of treating water to a standard not required by any of the special industrial consumers;

(iv) in respect of any water supplied to special industrial consumers from any source other than a source allocated by the Board for supply to special industrial consumers, an amount representing the cost to the Board of providing such water;

(v) any other expenses incurred by the Board in connection with the supply to special industrial consumers but not including the items of expense specified in paragraph (1) of clause 11 (Computation of reservation charge) of this Schedule or in sub-paragraph (a) (vi) or sub-paragraph (b) of this paragraph:

(vi) a charge equal to seven and one-half per centum of the expenses ascertained under sub-paragraphs (i) to (v) of this paragraph being a charge in respect of overhead and administrative expenses incurred by the Board in the payment of—

(A) the salaries and superannuation of permanent officers and servants of the Board;

- (B) professional fees and subscriptions;
- (C) printing and stationery, telephones, postages and general office expenses;
- (D) accounting services, loans management and audit; and
- (E) general transport services not otherwise specifically charged; and

(b) special expenses which, in accordance with the provisions of subsection (4) of section 4 (Variation of existing agreements) of the Act, are chargeable as a running charge:

(2) There shall be ascertained for each year—

(a) the aggregate quantity of water supplied to the special industrial consumers;

(b) the aggregate quantity of water taken by the Board from the works provided or used for supply to special industrial consumers for distribution otherwise than to the special industrial consumers as computed in accordance with sub-paragraph (2) (c) of clause 11 (Computation of reservation charge) of this Schedule;

(c) the total of sub-paragraphs (a) and (b) above:

(3) In each year the consumer shall pay to the Board in respect of the running charge under this Schedule such proportion of the aggregate expenses ascertained under paragraph (1) of this clause as the quantity of water supplied in the year to the consumer under the agreement bears to the aggregate quantity of water as ascertained under paragraph (2) (c) of this clause.

(1) The consumer shall make quarterly payments on account Quarterly payments.
(their liability under this Part of this Schedule comprising—

(a) an amount payable in advance on the first days of April, July, October and January in each year, equal to one-quarter of the annual reservation charge estimated by the Board to be payable in respect of the year of which the quarter forms part; and

(b) an amount payable in arrear on the last days of June, September, December and March in each year in respect of the running charge assessed on the quantity of water supplied in the quarter ending on the said days at a price equal to the cost of the running charge calculated as a charge for every one thousand gallons supplied in the preceding year:

Provided that, in respect of the period up to the 31st day of March next succeeding the date on which the supply of water under the agreement is commenced, the quarterly payments in respect of the running charge shall be of such amounts as may be estimated by the Board.

(4) The consumer shall make the quarterly payments on receipt of a demand from the Board.

SCH. 2
—cont.

(3) (a) Where necessary the accounts rendered to the consumer shall be adjusted at the end of each year when the reservation and running charges are ascertained and any such adjustment shall be set out in a statement delivered by the Board to the consumer.

(b) On the delivery of such statement the Board shall reimburse amount due from the Board to the consumer and, if any amount due from the consumer to the Board, it shall be paid by the consumer on the receipt of the statement.

(4) If any amount payable under this clause is not paid within thirty days after the date on which it is due, interest at the rate of one-half per centum over the bank rate for the time being shall be payable on the amount so due from the said date until the date of payment.

Application
to broken
period.

14. The provisions of this Part of this Schedule as applicable to the agreement shall be subject to such modifications and adjustments as may be agreed between the Board and the consumer (or, failing agreement, as may be determined by arbitration) in order to make the said provisions appropriate for the period between the date on which the supply to the consumer under the agreement is commenced and the 31st day of March next succeeding that date.

Notice of
new works.

15.—(1) The Board shall give reasonable notice to the consumer of any proposal to construct new works which are to be provided for or are intended to be, or are likely to be, used for supplies to special industrial consumers.

(2) The consumer may, within two months of the receipt of notice of any such proposal, object to the proposal on the ground that the new works, or any part thereof, are not required wholly or in part for the provision of supplies to special industrial consumers.

(3) Any dispute arising between the Board and the consumer in connection with an objection under this clause shall be dealt with in accordance with the provisions of clause 17 (Reference of certain disputes) of this Schedule.

Revision of
Part III of
Schedule.

16.—(1) The Board or the consumer may, within the period of three months ending on 31st March, 1976, and on the expiration of every subsequent period of seven years, apply for a revision of the terms and conditions of this Part of this Schedule and if, on such an application being made, it is, within the period of twelve months after the 31st March, 1976, or the expiration of every seventh year thereafter (as the case may be), agreed between the Board and all the special industrial consumers to whom the Board are for the time being obliged to provide supplies or, in case of dispute arising, determined as provided in sub-clause (2) of this clause, that the said terms and conditions should be revised, this Part of this Schedule shall have effect as if the revised terms and conditions as so agreed or determined were substituted therefor.

(2) Any dispute arising on an application made under this clause shall be dealt with in accordance with the provisions of clause 17 (Reference of certain disputes) of this Schedule but in determining such dispute referred to him under the said clause 17 the arbitrator shall ensure that on any revision of the terms and conditions of this Part of this Schedule the Board shall be obliged to provide supplies to special industrial consumers in accordance with the revised terms and conditions.

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—cont.

the terms and conditions are such that revenues receivable by the Board in respect of supplies to special industrial consumers in any year shall balance the expenditure of the Board on revenue account in respect of such supplies in that year.

17. Any dispute arising between the Board and the consumer or any other special industrial consumer or consumers, being a dispute which is to be dealt with in accordance with the provisions of this clause, shall be notified by the Board to all the special industrial consumers to whom the Board are for the time being obliged to provide supplies and, on the expiration of a period of six months from the date on which such notification is given, the Board, or any special industrial consumer or consumers may, by notice given, in the case of a reference by the Board, to all the special industrial consumers, and, in the case of a reference by any special industrial consumer or consumers, to the Board and to the remainder of such consumers, refer any matter in dispute to arbitration under and in accordance with the provisions of clause 21 (Determination of disputes) of this Schedule.

Reference of certain disputes.

PART IV
GENERAL

18. All works and mains provided and used for the purpose of supplies to special industrial consumers shall be and remain part of the undertaking of the Board.

Works to be part of undertaking of the Board.

19. The consumer shall be entitled, with the approval of the Board, which shall not be unreasonably withheld, to assign rights and obligations under the agreement to any other person to whom the works and properties of the consumers may be assigned subject to such guarantees for observance and due performance as the Board may require.

Transfer of rights by consumer.

20. Except as otherwise provided in this Schedule or the agreement, the agreement shall continue in force until determined by agreement between the Board and the consumer or by statutory enactment or other provision having the force of an Act of Parliament.

Duration of agreement.

Subject to the provisions of this Schedule, any difference or question which may arise under this Schedule between the Board and any special industrial consumer (other than a difference or question as to the meaning thereof) shall be referred to, and determined by, an arbitrator to be agreed between the parties or, failing agreement—

Determination of disputes.

(a) in the case of a dispute arising under any provision in Part III (Financial) of this Schedule (other than a dispute under paragraph (3) (a) of clause 11 (Computation of reservation charge) or clause 15 (Notice of new works) thereof), by the President for the time being of the Institute of Chartered Accountants; and

(b) in any other case by the President for the time being of the Institution of Civil Engineers.

Section 5.

SCHEDULE 3

FINANCIAL TERMS AND CONDITIONS APPLICABLE ON ADOPTION OR
UNIFORM PRICING

Interpretation.

A. In this Schedule, unless the subject or context otherwise requires, expressions to which meanings are assigned in clause 1 (Interpretation) of Schedule 2 to this Act shall have the same respective meanings.

Payments by
consumer.

B.—(1) Subject as provided in sub-clause (3) of this clause, a consumer shall in respect of each year pay to the Board for the supply of water under the agreement a sum ascertained by applying to the quantity of water supplied in that year under the agreement the cost to the Board in that year of all water supplied by them for all purposes as computed in accordance with sub-clause (2) of this clause.

(2) The cost to the Board of supplying water in any year shall be computed as follows:—

(a) from the sums debited by the Board to revenue in that year there shall be deducted any sums credited to revenue in that year in respect of income other than income received in respect of the supply of water:

(b) from the aggregate quantity of water taken by the Board from their source works, or by bulk supply, in that year there shall be deducted—

(i) a quantity equal to five per centum of the aggregate quantity of water supplied by the Board in that year by meter; and

(ii) a quantity equal to ten per centum of the difference between the aggregate quantity so taken from source works or by bulk supply and the aggregate quantity so supplied by meter:

(c) the net revenue cost as ascertained under paragraph (a) of this sub-clause shall be divided by the effective quantity supplied as ascertained under paragraph (b) of this sub-clause and the resultant cost per thousand gallons shall be taken as the cost to the Board of water supplied in that year.

(3) If the Board so require, the consumer shall, in respect of any year, pay to the Board in respect of any quantity of water which the Board are under the agreement obliged to supply to the consumer in that year, whether or not the whole of that quantity of water is taken by the consumer in that year, a minimum sum not exceeding seventy-five per centum of the amount which would have been payable by the consumer under sub-clause (1) of this clause if the whole of the said quantity had been supplied by the Board to the consumer in that year.

(4) Payments to be made by the consumer under this clause shall be made quarterly in advance on the receipt of a demand from the Board stating the sum estimated by the Board as so payable by the consumer in respect of the quarter.

(5) As soon as practicable after the end of each year the Board shall render to the consumer a final account of the total amount payable by the consumer in respect of that year and any balance thereby shown to be due from or to the consumer shall thereupon be paid to or by the Board by or to the consumer.

SCH. 3
—cont.

(6) If any sum payable under this clause is not paid within thirty days after the date on which it is due, interest at the rate of one-half per centum over the bank rate for the time being shall be payable on the amount so due from the said date until the date of payment.

Clause 21 (Determination of disputes) of Schedule 2 to this Act shall have effect in relation to this Schedule subject to the omission of paragraph (a) of the said clause. Determination of disputes.

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