



CHAPTER xl.

An Act to provide for the transfer to the Newcastle-upon-Tyne and Gateshead Gas Company of the undertaking of the Morpeth Gas Light Company (1902) Limited to extend the limits of supply of the Newcastle-upon-Tyne and Gateshead Gas Company and for other purposes.

[25th July 1940.]

WHEREAS the Newcastle-upon-Tyne and Gateshead Gas Company (hereinafter referred to as "the Newcastle Company") were incorporated by the Newcastle-upon-Tyne and Gateshead Gas Act 1864 and under powers conferred upon them by the Newcastle-upon-Tyne and Gateshead Gas Acts and Orders 1864 to 1937 are empowered to supply gas within an area of supply consisting of the city and county of Newcastle-upon-Tyne the county borough of Tynemouth and the borough of Wallsend in the county of Northumberland the county boroughs of Gateshead and South Shields and the borough of Jarrow in the county of Durham and the whole or parts of certain urban and rural districts in the said counties of Northumberland and Durham:

27 & 28
Vict.
c. cxlviii.

And whereas the Morpeth Gas Light Company (1902) Limited (hereinafter referred to as "the Morpeth Company") are supplying gas in the borough of Morpeth in the said county of Northumberland:

And whereas it would be of advantage to the consumers of gas now supplied by the Newcastle Company

and the Morpeth Company respectively that the undertaking of the Morpeth Company should be amalgamated with that of the Newcastle Company and the Newcastle Company have agreed with the Morpeth Company for the acquisition of the undertaking of that company:

And whereas the issued capital of the Morpeth Company consists of sixteen thousand nine hundred and fifty-seven ordinary shares of one pound each and fourteen thousand and ten six per centum cumulative preference shares of one pound each all of which are fully paid up and the Morpeth Company have issued mortgage debentures to the amount of seven thousand seven hundred pounds:

And whereas it is expedient that the transfer of the undertaking of the Morpeth Company to the Newcastle Company upon the terms set forth in this Act should be sanctioned:

And whereas it is expedient that the limits of supply of the Newcastle Company should be extended by the addition thereto of the said borough of Morpeth and of certain other areas adjacent to that borough and to the said limits of supply which include the whole of the areas situate between the said borough and the said limits of supply:

4 & 5
Geo. 5.
c. xxxiv.

And whereas by the Ashington Urban District Council Act 1914 the Ashington Urban District Council (hereinafter referred to as "the Ashington Council") were (inter alia) authorised to supply gas within limits of supply which include the urban district of Ashington and certain parishes in the rural district of Morpeth which urban district and certain of which parishes or portions of such parishes are by this Act added to the limits of supply of the Newcastle Company but the Ashington Council have not exercised with reference to the said urban district and parishes the powers conferred by the said Act:

And whereas it is expedient that the limits for the supply of gas by the Ashington Council should be reduced by the exclusion therefrom of such parts of the areas comprising the limits of supply defined in the said Ashington Urban District Council Act 1914 as are by this Act added to the limits of supply of the Newcastle Company:

And whereas it is expedient that the other powers and provisions contained in this Act should be granted and made:

And whereas the purposes of this Act cannot be attained without the authority of Parliament;

May it therefore please Your Majesty that it may be enacted and 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 (that is to say):—

1.—(1) This Act may be cited as the Newcastle-upon-Tyne and Gateshead Gas Act 1940. Short and collective titles.

(2) The Newcastle-upon-Tyne and Gateshead Gas Acts and Orders 1864 to 1937 and this Act may be cited together as the Newcastle-upon-Tyne and Gateshead Gas Acts and Orders 1864 to 1940.

2. The following enactments (so far as the same are applicable to the purposes and are not inconsistent with the provisions of the Newcastle-upon-Tyne and Gateshead Gas Acts and Orders 1864 to 1940) are hereby incorporated with this Act (namely):— Incorporation of Acts.

The Companies Clauses Consolidation Act 1845 8 & 9
Vict. c.16.
except the provisions thereof with respect to the conversion of the borrowed money into capital;

The Gasworks Clauses Act 1847;

The Gasworks Clauses Act 1871:

10 & 11
Vict. c.15.
34 & 35
Vict. c. 41.

Provided that the notice to be given by the company under section 8 of the Gasworks Clauses Act 1847 shall in the case of the opening or breaking up of streets for the laying of pipes not being service pipes be seven clear days instead of three clear days.

3. In this Act—

The several words and expressions to which meanings are assigned by the Acts wholly or partly incorporated herewith or by the Gas Undertakings Acts 1920 to 1934 shall have the same respective meanings unless there be something in the subject or context repugnant to such construction; and

Interpre-
tation.

- “ The Newcastle Company ” means the Newcastle-upon-Tyne and Gateshead Gas Company;
- “ The Morpeth Company ” means the Morpeth Gas Light Company (1902) Limited;
- “ The date of transfer ” means the first day of July one thousand nine hundred and forty;
- “ The Newcastle undertaking ” means the undertaking of the Newcastle Company as authorised for the time being;
- “ The Morpeth undertaking ” includes subject to the provisions of this Act all rights of making distributing and supplying gas and all other the rights easements powers authorities and privileges whatsoever of the Morpeth Company and all property assets and effects whatsoever and wheresoever and whether real or personal including investments cash balances moneys standing to the credit of any fund or account and all other interests and rights in to and out of the property whether real or personal and obligations and things in action of or belonging to the Morpeth Company immediately before the date of transfer and all books accounts deeds writings and documents relating thereto (except any agreement for the transfer to the Newcastle Company of the undertaking of the Morpeth Company and any letters and documents relative to the enforcing of such agreement) but subject to all contracts debts liabilities obligations and incumbrances of the Morpeth Company subsisting on the said date;
- “ The Newcastle district ” means the limits within which the Newcastle Company are authorised to supply gas under the provisions of the Newcastle-upon-Tyne and Gateshead Gas Acts and Orders 1864 to 1937;
- “ The Newcastle inner area ” means that part of the Newcastle district which comprises

the city and county of Newcastle-upon-Tyne the county borough of Gateshead and the borough of Wallsend;

“ The Morpeth area ” means the areas mentioned in Part I of the First Schedule to this Act;

“ The Stannington area ” means the areas mentioned in Part II of the said First Schedule;

“ The Ashington area ” means the areas mentioned in Part III of the said First Schedule;

“ The Newbiggin area ” means the area mentioned in Part IV of the said First Schedule;

“ The added limits ” means (subject to the provisions of this Act) the areas mentioned in Parts I II III and IV of the said First Schedule;

“ The limits of supply ” means the area within which the Newcastle Company are for the time being authorised to supply gas.

4. On and from the date of transfer the Morpeth undertaking shall by virtue of this Act be transferred to and vested in the Newcastle Company and be amalgamated with and form part of the Newcastle undertaking and subject to the provisions of the section of this Act of which the marginal note is “ Morpeth Company to continue incorporated for specified purpose ” the Morpeth Company shall be and are hereby dissolved.

Transfer to Newcastle Company of Morpeth undertaking and dissolution of Morpeth Company.

5. Notwithstanding anything in this Act the Morpeth Company shall for the purpose of enforcing the provisions of any agreement entered into between that company and the Newcastle Company before the date of transfer and for that purpose only continue incorporated until the expiration of three months from the date of transfer or for such longer period as may be necessary for the purposes of any proceedings for enforcing any such agreement which may be pending at the expiration of the said period of three months but on and from the expiration of the said period of three

Morpeth Company to continue incorporated for specified purpose.

months or of such longer period as aforesaid the Morpeth Company shall be and are hereby finally dissolved:

Provided that nothing in this section shall postpone or interfere with the transfer to and vesting in the Newcastle Company of the Morpeth undertaking as provided by the section of this Act of which the marginal note is "Transfer to Newcastle Company of Morpeth undertaking and dissolution of Morpeth Company" or postpone or affect the operation of any other provision of this Act.

Consideration for transfer of Morpeth undertaking.

6.—(1) As and by way of consideration for the transfer to the Newcastle Company of the Morpeth undertaking the Newcastle Company shall as soon as reasonably practicable after the date of transfer and in any event not later than three months after that date and subject to and in accordance with the provisions of this Act issue to the persons who immediately before that date held ordinary or preference shares of the Morpeth Company ordinary stock or four per centum preference stock of the Newcastle Company (to be created as hereinafter provided) as follows (that is to say):—

To each holder of ordinary shares of the Morpeth Company for every one hundred of such shares held by such holder the sum of one hundred and three pounds of ordinary stock of the Newcastle Company;

To each holder of preference shares of the Morpeth Company for every one hundred of such shares held by such holder the sum of one hundred and thirty-eight pounds and ten shillings of four per centum preference stock of the Newcastle Company;

and so in proportion for or in respect of any number of any such shares of the Morpeth Company less than one hundred.

(2) If the amount or value of the consideration for the sale of the property transferred to and vested in the Newcastle Company by virtue of this Act is not ascertained on or before the date of transfer the date of the final ascertainment of the amount or value of the consideration shall for the purposes of section 12

of the Finance Act 1895 (which relates to stamp duty on sale of property vested by Act of Parliament) be treated as the date of vesting. 58 & 59
Vict. c. 16.

7.—(1) The mortgage debentures of the Morpeth Company amounting at the thirty-first day of December one thousand nine hundred and thirty-nine to seven thousand seven hundred pounds bearing interest at the rate of four per centum per annum or such of those debentures as shall be outstanding at the date of transfer shall as from that date become mortgage debentures of the Newcastle Company charged upon the Newcastle undertaking in all respects as if those debentures had been issued by the Newcastle Company and as if that company had been named therein instead of the Morpeth Company. As to
mortgage
debentures
of Morpeth
Company.

(2) The interest on the said mortgage debentures shall as from the date of transfer rank *pari passu* with the interest on the existing debenture stock of the Newcastle Company.

8.—(1) As on the date of transfer there shall be created by virtue of this Act and without any other requisite such nominal amount of ordinary stock and ~~four per centum preference stock of the Newcastle Company~~ as shall be necessary to give effect to the provisions of this Act with respect to the transfer of the Morpeth undertaking. Creation of
ordinary
and
preference
stock of
Newcastle
Company
for
purposes of
transfer.

(2) The amounts of ordinary stock and four per centum preference stock of the Newcastle Company to which the holders of ordinary or preference shares of the Morpeth Company become by virtue of this Act entitled shall vest in such holders on the date of transfer and shall bear dividend as from that date and such holders shall subject to the provisions of the section of this Act of which the marginal note is "As to fractional parts of one pound" be forthwith registered in the books of the Newcastle Company as the holders of such amounts respectively.

9.—(1) Subject to the provisions of this Act the ordinary stock and four per centum preference stock of the Newcastle Company created by virtue of this Act shall in all respects and for all purposes form part of and be consolidated with the ordinary stock and four Ordinary
and
preference
stock of
Newcastle
Company

created by
Act to
form part
of existing
stocks.

per centum preference stock respectively of the Newcastle Company existing before the date of transfer.

(2) In respect of the period commencing on the date of transfer and ending on the thirty-first day of December one thousand nine hundred and forty dividends shall be paid on the ordinary stock and four per centum preference stock of the Newcastle Company created by virtue of this Act at the respective actual rates of the final dividends in respect of the year ending on the said thirty-first day of December declared by the Newcastle Company on their ordinary stock and four per centum preference stock.

As to
fractional
parts of
one
pound.

10.—(1) Where under the foregoing provisions of this Act a holder of ordinary shares or preference shares of the Morpeth Company would be entitled to be registered as the holder of any fractional part of one pound of ordinary stock or four per centum preference stock of the Newcastle Company or of an amount of either of such stocks including any such fractional part the Newcastle Company in lieu of registering such holder and issuing to him a certificate as holder of such fractional part or of an amount of ordinary stock or four per centum preference stock including such fractional part shall pay to such holder such a sum in cash as shall be equal to the nominal amount of such fractional part and shall register such holder and issue to him a certificate as holder of the amount of ordinary stock or four per centum preference stock of the Newcastle Company to which he shall be entitled as aforesaid excluding such fractional part and the receipt of such holder for the sum in cash so paid to him as aforesaid shall be a sufficient discharge to the Newcastle Company in respect of such fractional part.

(2) The Newcastle Company shall either cancel all or any of the ordinary stock or four per centum preference stock in respect of which payment in cash has been made under the provisions of this Act or issue the same to any willing purchaser thereof in amounts of one pound or multiples thereof but not otherwise and any loss or expense which may be incurred in connection with such issue shall be borne by the Newcastle Company.

11. The creation by virtue of this Act of ordinary stock and four per centum preference stock of the Newcastle Company shall not affect the powers of that company under the Newcastle-upon-Tyne and Gateshead Gas Acts and Orders 1864 to 1937 of raising money by the creation and issue of ordinary or preference shares or stock but those powers shall continue to be exerciseable by the Newcastle Company as if this Act had not been passed.

Stock created by Act not to affect Newcastle Company's powers of raising capital.

12.—(1) The ordinary stock and four per centum preference stock of the Newcastle Company of which the holders of ordinary shares or preference shares of the Morpeth Company are pursuant to the provisions of this Act respectively registered as holders and any sums of cash paid by the Newcastle Company under this Act in respect of fractional parts of one pound shall be held in the same rights upon the same trusts and subject (so far as is consistent with such provisions) to the same powers provisions charges and liabilities as those in upon or subject to which the ordinary shares or preference shares of the Morpeth Company for which such ordinary stock or four per centum preference stock of the Newcastle Company and sums of cash (if any) are respectively substituted were held immediately before the date of transfer and shall be dealt with applied and disposed of accordingly and so as to give effect to and not to revoke any deed will or other instrument disposing of or affecting any such ordinary shares or preference shares of the Morpeth Company.

Trustees to accept substituted stock.

(2) Trustees executors or administrators and all other holders in any representative or fiduciary capacity of any ordinary shares or preference shares of the Morpeth Company are hereby expressly authorised to accept the ordinary stock or four per centum preference stock of the Newcastle Company of which they are pursuant to the provisions of this Act registered as the holders and any sums of cash paid to them under those provisions and to hold dispose of or otherwise deal with such last-mentioned ordinary stock or preference stock and sums of cash in all respects as they might have held disposed of or otherwise dealt with the ordinary shares or preference shares of the Morpeth Company for which the same are substituted and are

hereby indemnified in respect of all acts bona fide done by them in pursuance of the provisions of this Act.

Exchange
of
certificates.

13. The Newcastle Company shall within three months of the date of transfer call in and cancel the certificates for ordinary shares and preference shares of the Morpeth Company for which ordinary stock or four per centum preference stock of the Newcastle Company and sums of cash (if any) are substituted under the provisions of this Act and shall issue free of charge in exchange for those certificates to the respective holders of the ordinary shares and preference shares of the Morpeth Company represented thereby certificates for ordinary stock or four per centum preference stock of the Newcastle Company of the respective amounts and pay to such holders the sums of cash (if any) to which those holders are by this Act respectively entitled but no such holder shall be entitled to a new certificate or to receive any such sum of cash as aforesaid until he shall have delivered up to the Newcastle Company to be cancelled the existing certificate for which such certificate and sum of cash (if any) are to be substituted or shall have proved to the reasonable satisfaction of the directors of the Newcastle Company the loss or destruction of such certificate and shall have given to the Newcastle Company an indemnity against any and every claim in respect of such lost or destroyed certificate or the ordinary shares or preference shares represented thereby:

Provided that until the issue of such new certificates the holders of the existing certificates shall (according to the amounts of ordinary stock or four per centum preference stock of the Newcastle Company to be issued under the provisions of this Act in substitution or part substitution for the ordinary shares or preference shares of the Morpeth Company which they respectively represent) have and possess the same rights and privileges as if such existing certificates were certificates for those respective amounts of ordinary stock or four per centum preference stock of the Newcastle Company but if any such holder neglect or omit to send or deliver to the Newcastle Company his certificate for ordinary shares or preference shares of the Morpeth Company within six months after notice in writing sent by post to the address of such holder

appearing in the books of the Morpeth Company the Newcastle Company may suspend the payment of any dividends declared or becoming payable upon or in respect of the ordinary stock or four per centum preference stock to which he is entitled until such certificate is delivered up to the Newcastle Company or is proved to the reasonable satisfaction of the directors of the Newcastle Company to have been lost or destroyed and until such indemnity as aforesaid shall have been given.

14.—(1) All transfers or other dispositions of any ordinary shares or preference shares of the Morpeth Company made but not registered prior to the issue to the holders thereof respectively of certificates of ordinary stock or four per centum preference stock of the Newcastle Company if otherwise valid shall notwithstanding the provisions of this Act be valid and have due effect given to them respectively as transfers or dispositions of ordinary stock or four per centum preference stock of the Newcastle Company and sums of cash (if any) of the respective amounts to which the respective transferors would have been entitled if such transfers had not been made although the instrument of transfer or disposition shall describe the same as ordinary shares or preference shares of the Morpeth Company and the Newcastle Company shall accordingly register the ordinary stock or four per centum preference stock in the name of the transferee or person taking under the disposition and pay to such transferee or person the sum (if any) payable in cash.

Certificates
&c. to
remain in
force.

(2) Any bequest of or any covenant in or provision of any deed or instrument which but for the passing of this Act would apply to the ordinary shares or preference shares of the Morpeth Company so transferred or disposed of as aforesaid shall be held to apply to an amount of ordinary stock or four per centum preference stock of the Newcastle Company equal to that which is under the provisions of this Act substituted for such ordinary shares or preference shares of the Morpeth Company together with any sum in cash payable under the provisions of this Act in respect of any fractional part of one pound of ordinary stock or

four per centum preference stock of the Newcastle Company.

Morpeth Company's books to be evidence as to holders of shares.

15.—(1) The several persons who immediately before the date of transfer appear on the registers of the Morpeth Company to be holders of ordinary shares or preference shares of the Morpeth Company or the respective executors or administrators of such persons shall for the purposes of this Act and subject to the provisions of the last preceding section of this Act be deemed to be holders of ordinary shares or preference shares of the Morpeth Company to the number and of the class respectively stated in those registers and the secretary of that company shall forthwith after the date of transfer deliver the said registers to the Newcastle Company at the principal office of that company and as from the date of transfer the registers of transfers of ordinary shares and preference shares of the Morpeth Company shall be permanently closed and no transfer of any ordinary shares or preference shares of the Morpeth Company made on or after the date of transfer shall as between the Newcastle Company and the party claiming thereunder be of any effect.

(2) The issue by the Newcastle Company pursuant to the provisions of this Act of certificates of ordinary stock or four per centum preference stock of the Newcastle Company (together with the payment of the sums in cash payable pursuant to such provisions) to the holders of ordinary shares or preference shares of the Morpeth Company shall be a sufficient discharge to the Newcastle Company for all purposes.

Separate accounts of Morpeth Company to be audited.

16. Separate accounts of the Morpeth Company shall be made out for the period commencing on the first day of July one thousand nine hundred and thirty-nine and ending on the day immediately prior to the date of transfer and shall be audited by the auditors of that company.

As to dividends on shares of Morpeth Company.

17. The Newcastle Company shall as soon as practicable after the date of transfer pay to the persons who immediately before that date held ordinary or preference shares of the Morpeth Company dividends (less income tax) on those shares for the half-year ending on the thirtieth day of June one thousand nine hundred and forty at the respective rates at which (regard

being had to the amount of the divisible profits and the sum standing to the credit of the general reserve account of the Morpeth Company) such dividends could have been paid if this Act had not been passed. Provided that the actual rate of the dividend so to be paid on the ordinary shares of the Morpeth Company when added to the actual rate of any interim dividend paid on those shares in respect of the year ending on the said thirtieth day of June shall not exceed six per centum per annum.

18. If at the date of transfer any action arbitration or proceeding or any cause of action arbitration or proceeding shall be pending or existing by or against or in favour of the Morpeth Company the same shall not abate or be discontinued or be in anywise prejudicially affected by reason of the transfer to the Newcastle Company of the Morpeth undertaking or of anything in this Act but may be continued prosecuted and enforced by against or in favour of the Newcastle Company as and when it might have been continued prosecuted and enforced by against or in favour of the Morpeth Company if this Act had not been passed but not further or otherwise.

Pending actions not to abate.

19. All contracts agreements conveyances deeds leases and other instruments affecting the Morpeth Company (other than any agreement entered into between the Newcastle Company and the Morpeth Company relating to the acquisition of the Morpeth undertaking) and in force at the date of transfer shall as from that date be as binding and of as full force and effect against or in favour of the Newcastle Company and may be enforced as fully and effectually as if instead of the Morpeth Company the Newcastle Company had been a party thereto or bound thereby or entitled to the benefit thereof.

Contracts to be binding.

20. All rents rates and charges and other sums and debts at the date of transfer due and payable or accruing due and payable to the Morpeth Company shall be payable to and may be collected recovered and enforced by the Newcastle Company in the same manner and with and by the same benefits and processes as those with and by which the Morpeth Company

Collection of outstanding debts.

might have collected recovered and enforced the same and shall belong to the Newcastle Company for their own benefit.

Books &c.
to remain
evidence.

21. All books and documents which if this Act had not been passed would have been evidence in respect of any matter for or against the Morpeth Company shall on and after the date of transfer be admitted in evidence in respect of the same or the like matter for or against the Newcastle Company.

Officers of
Morpeth
Company
to be
account-
able for
books &c.

22. All officers and persons who at the date of transfer have in their possession or under their control any books documents papers moneys or effects forming part of the Morpeth undertaking shall be liable to account for and deliver up the same to the Newcastle Company or to such persons as the Newcastle Company may appoint to receive the same and subject to the same consequences on refusal or neglect as if such officers and persons had been appointed by and become possessed of such books documents papers moneys and effects for the Newcastle Company.

Compen-
sation to
directors of
Morpeth
Company.

23.—(1) The directors of the Morpeth Company holding office at the date of transfer shall retire from office as from that date except that the said directors shall continue to act as directors of the Morpeth Company without remuneration or fees so long as that company shall continue incorporated pursuant to the section of this Act of which the marginal note is "Morpeth Company to continue incorporated for specified purpose."

(2) The Newcastle Company shall pay to such of the directors of the Morpeth Company holding office at the date of transfer as also held the office of director of the Morpeth Company on the twenty-first day of November one thousand nine hundred and thirty-nine for distribution as such directors may think fit as compensation for loss of office a sum of money representing the equivalent of seven times the amount paid to the directors of the Morpeth Company in the financial year ending on the thirtieth day of June one thousand nine hundred and thirty-nine as directors fees (together with the amount of income tax paid in respect of such fees) less one-fourth of such sum in respect of

any director who between the said twenty-first day of November one thousand nine hundred and thirty-nine and the date of transfer may cease to be a director of the Morpeth Company.

24. The person who on the twenty-first day of November one thousand nine hundred and thirty-nine held the offices of engineer manager and secretary of the Morpeth Company if he shall hold the said offices on the date of transfer shall retire from office as from that date and the Newcastle Company shall pay to the said person compensation determined in accordance with the provisions of the Fourth Schedule to the Local Government Act 1933 but as if "office" therein meant employment with any gas undertakers or non-statutory undertakers in any capacity and as if for references to the local authority and members or officers thereof there were substituted references to the Newcastle Company and for references to "the Minister" there were substituted references to the Board of Trade. Such compensation shall be in the form of a lump sum calculated in accordance with the Treasury scale for the commutation of pensions.

Engineer manager and secretary of Morpeth Company to retire from office. 23 & 24 Geo. 5. c. 51.

25.—(1) The Newcastle Company shall take over the engagement of all persons employed by the Morpeth Company other than the engineer manager and secretary of that company.

Employees of Morpeth Company.

(2) (a) The persons so taken over shall respectively become subject to the same obligations as are imposed upon and enjoy the same benefits as are enjoyed by the officers and employees of the Newcastle Company respectively and shall be entitled if they so elect to become members of the employees' sick benefit society and the profit sharing scheme of the Newcastle Company so long as each is in being and the male persons shall also be entitled if they so elect to become members of the pension and widows' and orphans' funds.

(b) For the purposes of this subsection service with the Morpeth Company shall be deemed to be service with the Newcastle Company.

(3) If at any time within three years from the date of transfer the Newcastle Company dispense (otherwise than on account of fraud dishonesty or wilful or

serious misconduct) with the services of any officer of the Morpeth Company whose engagement is taken over by them and who at the date of transfer had been in the continuous employment of the Morpeth Company for not less than three years the Newcastle Company shall pay to such officer compensation determined in accordance with the provisions of the Fourth Schedule to the Local Government Act 1933 but as if "office" therein meant employment with any gas undertakers or non-statutory undertakers in any capacity and as if for references to the local authority and members or officers thereof there were substituted references to the Newcastle Company and for references to "the Minister" there were substituted references to the Board of Trade. Such compensation shall at the option of the officer entitled thereto be in the form either of a lump sum calculated in accordance with the Treasury scale for the commutation of pensions or of an annual sum.

(4) The scheme relating to the compensation to be paid to gas workers of authorities companies or bodies carrying on gas undertakings for loss of employment or diminution of wages consequent upon the amalgamation of such undertakings which was adopted by the National Joint Industrial Council for the Gas Industry on the twenty-ninth day of April one thousand nine hundred and thirty shall apply to the gas workers of the Morpeth Company who have been in the continuous employment of that company for not less than three years at the date of transfer and to the Newcastle Company in respect of such gas workers.

As to
reserve
account of
Morpeth
Company.

26. As from the date of transfer the sum standing to the credit of the general reserve account of the Morpeth Company shall be added to and form part of the reserve fund of the Newcastle Company.

As to
reserve for
renewal of
plant.

27. As from the date of transfer the sum standing to the credit of the reserve for special plant renewals account of the Morpeth Company shall be added to and form part of the renewal fund of the Newcastle Company.

Extension
of limits of
supply.

28.—(1) On and from the date of transfer the limits of the Newcastle Company for the supply of gas shall extend to, and include in addition to the Newcastle

district the added limits. Provided that unless on the expiration of ten years from the termination of the present war the Newcastle Company are furnishing or prepared on demand to furnish a supply of gas in accordance with the provisions of this Act in the whole or some part of the urban district of Ashington that urban district and the parishes of Pegswood Ellington and Cresswell in the rural district of Morpeth (other than any of those parishes in any part of which the Newcastle Company are at the date of such expiration supplying gas) shall on the expiration of that period cease to be included in and form part of the limits of supply.

(2) Subject to the provisions of this Act the Newcastle Company within the added limits shall have and may exercise the like powers rights privileges and authorities and be subject to the like duties and obligations as they have and are subject to within the Newcastle district.

(3) Subject to the provisions of this Act the Newcastle Company may continue maintain and use any mains pipes and other works of the Morpeth Company transferred to and vested in them by virtue of this Act and the provisions of the Newcastle-upon-Tyne and Gateshead Gas Acts and Orders 1864 to 1940 shall apply to such mains pipes and works in all respects as though the same had been laid down or constructed under the authority of those Acts and Orders.

(4) Notwithstanding anything in this Act the Newcastle Company shall not be entitled or required except with the consent in writing of the Newbiggin-by-the-Sea Gas Company Limited (in this section referred to as "the Newbiggin Company") to supply gas in any part of the urban district of Newbiggin-by-the-Sea in which the Newbiggin Company are, for the time being supplying gas.

29. For the benefit and protection of the London and North Eastern Railway Company the provisions of section 30 (For protection of North Eastern Railway Company) of the Newcastle-upon-Tyne and Gateshead Gas Act 1916 shall extend and apply with reference to the laying and maintenance by the Newcastle Company

For protection of London and North Eastern Railway Company.

6 & 7
Geo. 5.
c. xlix.

of mains pipes and other works in the added limits as if such mains pipes and works were being or had been laid and maintained under the powers of that Act.

For mutual
protection
of New-
castle
Company
and Tyne-
mouth
Corpora-
tion.

30.—(1) Whenever the Newcastle Company in the exercise of the powers of this Act require to execute within the added limits any work (other than the laying of a service pipe and the breaking up of a street for that purpose) over across under or within three feet of any water main or pipe having an internal diameter of not less than nine inches of the mayor aldermen and burgesses of the county borough of Tynemouth (in this section referred to as “the corporation”) and whenever the corporation in the exercise of their statutory powers for or in connection with the supply of water require to execute within the added limits any work (other than the laying of a communication pipe and the breaking up of a street for that purpose) over across under or within three feet of any main or pipe having an internal diameter of not less than nine inches of the Newcastle Company then—

- (a) the Newcastle Company or the corporation as the case may be (in this section referred to as “the operators”) shall unless otherwise agreed between them give to the other of them (in this section referred to as “the owners”) not less than three days’ notice in writing before commencing to execute the work except in any case of emergency when they shall give notice as soon as possible after the beginning of the work or the necessity for the work shall have arisen;
- (b) the owners shall be entitled by their duly authorised officer to superintend the work;
- (c) the operators shall conform with such reasonable requirements as may be made by the owners or such officer for protecting from injury every such main or pipe and for securing access thereto and shall if so required by the owners make good all damage done thereto;
- (d) where the operators find it necessary to undermine any such main or pipe they shall

temporarily support the same in position during the execution of the works and before completion provide a suitable and proper foundation for the same where so undermined;

(e) the works executed by the operators shall after completion be maintained by the operators in proper condition and repair.

(2) Any difference under this section between the Newcastle Company and the corporation shall be referred to and determined by a single arbitrator to be appointed (failing agreement) by the President of the Institution of Civil Engineers on the application of the Newcastle Company or the corporation after notice in writing to the other of them and subject as aforesaid the provisions of the Arbitration Acts 1889 to 1934 or any statutory modification or re-enactment thereof for the time being in force shall apply to such reference and determination.

(3) The provisions of this section shall be in addition to and not in derogation of any rights or obligations of the Newcastle Company and the corporation respectively with respect to the payment of compensation for damage done in the execution of their powers under any enactment regulating their respective gas and water undertakings or any Act or part of any Act incorporated therewith or at common law.

31. For the purposes of the Newcastle-upon-Tyne and Gateshead Gas Act 1929 and the Newcastle-upon-Tyne and Gateshead (Basic Prices) Order 1936 the basic prices of gas supplied by the Newcastle Company within the added limits shall as from the date of transfer be—

Basic
prices.
19 & 20
Geo. 5.
c. cxv.

(a) within the Morpeth area eleven pence per therm;

(b) within the Stannington area ten decimal four pence per therm;

(c) within the Ashington area twelve decimal one pence per therm;

(d) within the Newbiggin area sixteen decimal eight pence per therm;

and the said Act and Order shall be read and have effect accordingly.

Differential
prices &c.

32. The Newcastle Company may from time to time charge for gas supplied by them in the respective areas mentioned in the first column of the following table a price per therm not exceeding by more than the amount specified in the second column of the said table opposite the names of the said areas respectively the price per therm for the time being charged for gas supplied by them in the Newcastle inner area:—

Area.	Differential price.
The Morpeth area - - -	Four decimal three pence.
The Stannington area - - -	Three decimal six pence.
The Ashington area - - -	Five decimal five pence.
The Newbiggin area - - -	Ten decimal seven pence.

Provided that on any one occasion within three years from the date on which the company commence to supply gas in each of the areas mentioned in the foregoing table the council of any county or borough or urban or rural district wholly or partly within the limits of supply or the company may apply to the Board of Trade for an alteration of the excess amount authorised by this section in relation to that area and shall give notice thereof (in the case of an application by any such council) to the company and to each other of such councils and (in the case of an application by the company) to each of the said councils whereupon the Board after considering any representations which the company or any such council may make with regard to the application within the period of forty-two days from the date of the said notice may if they think fit make an order altering such excess amount. An order made by the Board of Trade under this section may be signed by a secretary or under-secretary or assistant secretary of the Board.

Meter
rentals.

33. The Newcastle Company may charge in respect of gas supplied by them through meters in the added limits meter rentals not exceeding the meter rentals for the time being charged in respect of gas supplied by them through meters in the Newcastle inner area.

34. The Newcastle Company shall allow in respect of gas supplied by them in the added limits discounts and rebates in accordance with the scale of discounts and rebates for the time being applicable in respect of gas supplied by them in the Newcastle inner area.

Discounts
and
rebates

35. The Newcastle Company shall not be required to aggregate the quantities of gas consumed by any one and the same person in the Newcastle district and in the added limits for the purpose of determining the operation in relation to that person of any of the tariffs of prices for gas supplied by the Newcastle Company.

As to operation
of tariffs in
case of persons
consuming gas
in Newcastle
district and in
added limits.

36. Unless and until the Newcastle Company otherwise declare in accordance with the provisions of section 8 (Declaration of calorific value) of the Newcastle-upon-Tyne and Gateshead Gas Act 1929 the declared calorific value of gas supplied by them in the added limits shall be four hundred and seventy-five British thermal units.

As to
declared
calorific
value of
gas.

37. The limits for the supply of gas by the Ashington Urban District Council under the powers of the Ashington Urban District Council Act 1914 shall as from the date of transfer be reduced by the exclusion thereof of so much of the areas described in Parts I and III of the First Schedule to this Act as is within those limits and the said Act of 1914 shall be read and have effect accordingly. Provided that this section shall cease to have effect if and when and to the extent to which the proviso to subsection (1) of the section of this Act of which the marginal note is "Extension of limits of supply" becomes operative.

Reduction
of limits of
supply of
gas under
Ashington
Urban
District
Council
Act 1914.

38.—(1) The Newcastle Company shall within one month from the date of the passing of this Act and from time to time thereafter give notice in writing to the council of every county county borough non-county borough and urban and rural district wholly or partly within the limits of supply stating the price or prices per therm at which they are prepared for the time being to supply gas to persons who—

Published
price.

(a) are entitled to a supply of gas from the Newcastle Company in the county borough or district of such council or in the several areas

comprised therein as respects which the Newcastle Company are authorised and propose to charge different prices; and

25 & 25
Geo. 5.
c. 28.

(b) do not enter into a special contract (as defined in section 6 (Publication of prices by undertakers and consequences thereof) of the Gas Undertakings Act 1934) for the supply of such gas.

(2) The price or prices stated in any such notice shall be the same for every therm supplied in the form of gas by the Newcastle Company (otherwise than under such special contract as aforesaid) in the county borough district or area for which such price or prices is or are stated.

(3) The provisions of subsection (3) of the said section 6 shall (so far as applicable) apply with reference to the price or prices stated in any such notice as if such price or prices were the published price within the meaning of that section.

(4) The provisions of subsection (6) of the said section 6 shall apply and have effect as if those provisions were re-enacted in this section.

Division of
profits of
Newcastle
Company.
2 & 3
Geo. 6.
c. 62.

39.—(1) The following provisions of this section shall have effect in relation to each year commencing after the thirty-first day of December in the year next following the year in which the Emergency Powers (Defence) Act 1939 expires pursuant to section 11 of that Act but nothing in this section shall alter or affect the operation of section 15 (Division of profits) of the Act of 1929 in relation to any earlier year.

(2) The division of the profits of the Newcastle undertaking shall be regulated in manner provided by this section.

(3) (a) At the end of each year the following calculations shall be made:—

(i) a calculation of the sum representing the amount (if any) by which the total amount payable to the Newcastle Company for gas supplied to consumers during that year—

(a) for domestic purposes; and

(b) for purposes other than domestic purposes at a price per therm equal to or exceeding seven-tenths of the ordinary price;

is less than the amount which would have been payable if the gas had been supplied at the basic price;

- (ii) a similar calculation in relation to gas supplied to consumers during that year for purposes other than domestic purposes at a price less than seven-tenths but not less than three-fifths of the ordinary price;
- (iii) a similar calculation in relation to gas supplied to consumers during that year for purposes other than domestic purposes at a price less than three-fifths but not less than one-half of the ordinary price; and
- (iv) a similar calculation in relation to gas supplied to consumers during that year for purposes other than domestic purposes at a price less than one-half of the ordinary price.

(b) For the purposes of this subsection the price per therm at which gas shall be deemed to have been supplied by the Newcastle Company during any year for purposes other than domestic purposes shall in the case of each consumer be the price ascertained by dividing the total amount payable by that consumer in respect of the gas so supplied to him during that year (including in cases in which the two-part tariff is in operation the fixed charge payable under that tariff) by the total number of therms so supplied to him.

(4) If and so far as the balance standing to the credit of the net revenue account of the Newcastle undertaking at the end of any year (after providing for dividend on the preference stock of the Newcastle Company and dividend at the basic rate of five per centum per annum on the ordinary stock of the Newcastle Company) in the opinion of the directors permits a sum not exceeding the aggregate of the following sums:—

- (i) one-third of the sum calculated pursuant to subparagraph (i) of paragraph (a) of subsection (3) of this section;

- (ii) one-fourth of the sum calculated pursuant to subparagraph (ii) of the said paragraph (a);
- (iii) one-sixth of the sum calculated pursuant to subparagraph (iii) of the said paragraph (a);
and
- (iv) one-twelfth of the sum calculated pursuant to subparagraph (iv) of the said paragraph (a);

shall be applied in two equal parts for the benefit of holders of ordinary stock of the Newcastle Company and for the benefit of the co-partners in manner hereinafter provided.

(5) Any sum to be so applied for the benefit of the holders of ordinary stock of the Newcastle Company may be applied in the payment of dividend at a rate additional to the said basic rate and if and so far as not so applied shall be carried to the reserve fund or appropriated to such other purposes as the directors may determine.

(6) Any sum to be so applied for the benefit of the co-partners shall—

- (a) to such extent (not being less than one-half thereof) as the directors may determine be carried to the credit of the pensions fund the widows' and orphans' fund and the fund of the employees' sick benefit society in such proportions as the directors may decide; and
- (b) as to so much (if any) thereof as is not so disposed of as aforesaid be applied by way of bonus addition to the salaries and wages of the co-partners or carried to the credit of the fund formed in connection with the profit-sharing scheme established under section 23 (Profit-sharing) of the Act of 1929 as and in such proportions as the directors may determine.

(7) Any balance of the profits of the Newcastle Company not applied as aforesaid shall be carried forward to the credit of the net revenue account for the next following year. Provided that the sum so carried forward shall not exceed the total of the following amounts:—

- (a) the amount required by the Newcastle Company for paying any dividend on preference

capital or ordinary capital or interest on moneys borrowed for the purposes of the Newcastle undertaking which the Newcastle Company are entitled or required to pay but have not paid in respect of the year preceding such following year;

- (b) an amount equal to the total sum which will be required for paying one year's dividend on the preference capital of the Newcastle Company and one year's dividend at the basic rate on the ordinary capital of the Newcastle Company;
- (c) an amount equal to the total sum which the Newcastle Company will be required to pay during the next following year as interest on any mortgages or debenture stock; and
- (d) any amount required to be applied for the benefit of the co-partners as aforesaid in respect of the year preceding such following year but which the Newcastle Company have not so applied.

(8) Section 15 (Division of profits) of the Act of 1929 shall be and is hereby repealed.

(9) In this section—

- (i) the expression "the Act of 1929" means the Newcastle-upon-Tyne and Gateshead Gas Act 1929;
- (ii) the expression "domestic purposes" means lighting heating cooking refrigeration and ventilation in any premises used exclusively as a dwelling-house or in the curtilage of any such premises;
- (iii) the expression "the two-part tariff" means that tariff as set out in the scale for the time being in force of charges for gas supplied by the Newcastle Company;
- (iv) the expression "the ordinary price" means as respects each area comprised in the limits of supply with respect to which a separate basic price is prescribed by the Acts and Orders of the Newcastle Company the price or respective prices stated in relation to that area in any notice given by the

Newcastle Company pursuant to the section of this Act of which the marginal note is "Published price" and for the time being in force reduced in the case of each consumer to whom gas is supplied by the Newcastle Company in that area by the amount of the discount to which such consumer would be entitled (subject to prompt payment) under section 16 (Discounts) of the Act of 1929 or by virtue of subsection (3) of section 29 (Differential prices &c.) of the Newcastle-upon-Tyne and Gateshead Gas Order 1937 (if and so long as the said subsection (3) is in force);

- (v) the expression "the basic price" means as respects each area comprised in the limits of supply with respect to which a separate basic price is prescribed by the Acts and Orders of the Newcastle Company the basic price for the time being prescribed in relation to that area under the said Acts and Orders;
- (vi) the expression "the directors" means the directors for the time being of the Newcastle Company;
- (vii) the expression "the co-partners" means the employees with whom the Newcastle Company have entered into an agreement under the provisions of the Act of 1929.

40. Subject to the provisions of this Act the Newcastle Company may—

- (a) upon the lands described in Part I of the Second Schedule to this Act or any part thereof so long as they are possessed of the same—

- (i) maintain erect alter improve and renew gasworks with all necessary machinery and apparatus and do all such acts as may be proper for making and storing gas and for supplying gas within the limits of supply; and

- (ii) work up and convert residual products arising directly or indirectly from the

Maintenance
and construction of
gas works.

manufacture of gas by them or purchased by them under the powers conferred by section 4 of the Gas Undertakings Act 1929 for which purpose the Newcastle Company may purchase from any source and use such material as is required to work up and convert any such residual products; and

19 & 20
Geo. 5.
c. 24.

(b) upon the lands described in Part II of the said Second Schedule or any part thereof so long as they are possessed of the same erect maintain alter improve and renew all such works (with all necessary machinery and apparatus) as may be proper for storing gas. Provided that there shall not at any time be more than one gasholder erected upon the said lands and that such gasholder shall not exceed one hundred and ten feet in height above the level of the adjoining land when fully inflated.

41. Section 18 (As to revision of basic price) of the Newcastle-upon-Tyne and Gateshead Gas Act 1929 shall be read and have effect as if the words "within six months after the first day of January one thousand nine hundred and thirty-five and within six months after the expiration of any subsequent period of five years" were omitted from subsection (1) of that section and the words "and from time to time" were inserted in that subsection in substitution for the words so omitted.

Amend-
ment of
provisions
as to
revision
of basic
prices.

42. The Newcastle Company shall not under the powers of this Act construct on under or over the shore or bed of the sea or of any creek bay arm of the sea or navigable river communicating therewith below high-water mark of ordinary spring tides any work without the previous consent of the Minister of Shipping to be signified in writing under the hand of a secretary or some person authorised by the said Minister to act in that behalf and then only according to such plan and under such restrictions and regulations as the said Minister may approve of in writing under hand as last aforesaid and where any such work may have been constructed the Newcastle Company shall not at any

Works
below high-
water mark
not to be
con-
structed
without
consent of
Minister of
Shipping.

time alter or extend the same without obtaining previously to making any alteration or extension the like consent or approval. If any work be commenced altered extended or completed contrary to the provisions of this section the Minister of Shipping may abate and remove the same and restore the site thereof to its former condition at the cost and charge of the Newcastle Company and the amount of such costs and charges shall be a debt due from the Newcastle Company to the Crown and shall be recoverable either as a debt due to the Crown or summarily as a civil debt.

Copy of
Act to be
registered.

43. The company shall deliver to the Registrar of Companies a printed copy of this Act and he shall retain and register the same and if such copy is not so delivered within three months from the passing of this Act the company shall incur a penalty not exceeding two pounds for every day after the expiration of those three months during which the default continues and any director or manager of the company who knowingly and wilfully authorises such default shall incur a like penalty. Every penalty under this section shall be recoverable summarily.

19 & 20
Geo. 5.
c. 23.

There shall be paid to the registrar by the company on such copy being registered the like fee as is for the time being payable under the Companies Act 1929 on registration of any document other than a memorandum of association or the abstract required to be delivered to the registrar by a receiver or manager or the statement required to be sent to the registrar by the liquidator in a winding up in England.

Costs of
Act.

44. All costs charges and expenses of and incidental to the preparing applying for obtaining and passing of this Act or otherwise in relation thereto shall be paid by the Newcastle Company and may in whole or in part be defrayed out of revenue.

The SCHEDULES referred to in the
foregoing Act.

FIRST SCHEDULE.

ADDED LIMITS.

PART I.

THE MORPETH AREA.

The following areas in the county of Northumberland:—

The borough of Morpeth;

The parishes of Hepscoth Tranwell Mitford Spital Hill
and Pegswood in the rural district of Morpeth;
and

Such parts of the parishes of Benridge High and Low
Highlaws and Hebron in the said rural district of
Morpeth as are situate southward of a straight line
drawn from the point on the western boundary of
the said parish of Benridge at which that boundary
is intersected by a road leading from Pigdon to the
seashore at Headages to the point of junction in
the parish of Cresswell in the said rural district of
the road running in a south-easterly direction from
Cresswell Farm with the road running north and
south along the seashore.

PART II.

THE STANNINGTON AREA.

The following areas in the said county of Northumber-
land:—

The parishes of Berwick Hill Horton Grange Brenkley
and Stannington in the rural district of Castle
Ward.

PART III.

THE ASHINGTON AREA.

The following areas in the said county of Northumber-
land:—

The urban district of Ashington; and

The parish of Lynmouth in the rural district of Morpeth and such parts of the parishes of Longhirst Old Moor Ellington and Cresswell in that rural district as are situate southward of the straight line described in Part I of this schedule.

PART IV.

THE NEWBIGGIN AREA.

The following area in the said county of Northumberland:—
The urban district of Newbiggin-by-the-Sea.

SECOND SCHEDULE.

GAS LANDS.

PART I.

In the borough of Morpeth in the county of Northumberland—

Lands and property comprising the gasworks of the Morpeth Company comprising two decimal five seven acres or thereabouts such lands and property being bounded on the west in part by so much of Gas House Lane as extends from the junction therewith of the western bank of the river Wansbeck to the most northerly point at which the said lane forms the boundary of property belonging to the Morpeth Company and in the occupation of Ruth Longstaff in part by the said property in the occupation of Ruth Longstaff and in part by property belonging to the Morpeth Company and in the occupation of Richard Winter on the south in part by the said property in the occupation of Ruth Longstaff and in part by the said property in the occupation of Richard Winter and on all other sides by the western bank of the river Wansbeck.

PART II.

In the city and county of Newcastle-upon-Tyne—

A plot of land containing two and three-quarter acres or thereabouts being part of the enclosure No. 222 on the 1/2500 Ordnance map Northumberland sheets N.XCIV.4 and N.XCV.1 such plot of land

being bounded on the north by the Newcastle Tyne-mouth and Newcastle branch of the London and North Eastern Railway on the east by a footpath and occupation road leading from Benton Park Road across the said railway to Benton West Farm on the south by an imaginary line drawn parallel with and two hundred feet distant in a northerly direction from the northern boundary of the property known as Wiseton Terrace abutting on Benton Park Road and on the west in part by the eastern boundary of the allotment gardens lying in the angle formed by Killingworth Road and the said railway and in part by a straight line drawn from the south-eastern corner of the said allotment gardens towards the north-eastern corner of the premises of Provincial Laundries Limited.

Ch. xl.

*Newcastle-upon-Tyne
and Gateshead Gas Act, 1940.*

3 & 4 GEO. 6.

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