

CHAPTER 67.*Gas Act, 1948.*

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SCHEDULES :

First Schedule.—Area Gas Boards.

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An Act to provide for the establishment of Area Gas Boards and a Gas Council and for the exercise and performance by those Boards and that Council of functions relating to the supply of gas and coke and certain other matters ; for the transfer to such Boards as aforesaid and to the said Council of property, rights, obligations and liabilities of gas undertakers and other persons ; for co-ordinating the activities of Area Gas Boards and the National Coal Board relating to carbonization ; to amend the law relating to the supply of gas ; to make certain consequential provision as to income tax ; and for purposes connected with the matters aforesaid. [30th July 1948.]

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 :—

PART I.

AREA GAS BOARDS AND GAS COUNCIL.

1.—(1) There shall be established Boards, to be known by the names mentioned in the first column of the First Schedule to this Act and in this Act referred to as " Area Boards ", for the areas which are described in general terms in the second column of that Schedule and are to be defined by orders made under this Part of this Act, and it shall be the duty of every Area Board as from the vesting date

- (a) to develop and maintain an efficient, co-ordinated and economical system of gas supply for their area and to satisfy, so far as it is economical to do so, all reasonable demands for gas within their area ;

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- (b) to develop and maintain the efficient, co-ordinated and economical production of coke, other than metallurgical coke, by them ;
- (c) to develop and maintain efficient methods of recovering by-products obtained in the process of manufacturing gas.

(2) Every Area Board shall have power to carry on all such activities as it may appear to the Board to be requisite, advantageous or convenient for them to carry on for or in connection with the discharge of their duties under the preceding subsection or with a view to making the best use of any assets vested in them by or under this Act, and in particular, but without prejudice to the generality of the preceding provision,—

- (a) to manufacture gas, to acquire gas in bulk from any person including another Area Board, and to supply gas in bulk to another Area Board ;
- (b) to distribute gas in their area ;
- (c) to manufacture, treat, render saleable, supply or sell—
 - (i) coke and other solid fuels obtained by carbonization ;
 - (ii) any by-products obtained in the process of manufacturing gas, coke or any such other solid fuels as aforesaid ; and
 - (iii) any products made or derived from gas, coke or any such other solid fuel as aforesaid or from any by-product obtained as aforesaid ;
- (d) to sell, hire or otherwise supply gas fittings and coke fittings and to instal, repair, maintain or remove gas fittings and coke fittings and plant required by the Board or any other Area Board ;
- (e) after consultation with the Gas Council established under the next following section, to manufacture plant required by the Board or any other Area Board and to manufacture gas fittings and coke fittings, except for export :

Provided that an Area Board shall not exercise their powers under paragraph (e) hereof unless they are satisfied that the available facilities for obtaining at reasonable prices plant required by them or any other Area Board or gas fittings or coke fittings are or may become inadequate.

(3) Any Area Board may, by agreement with any other Area Board, give a supply of gas to persons in the area of that other Area Board, and the powers conferred by the last preceding subsection shall apply in relation to the giving of such a supply, and if any Area Board are unable to obtain the agreement of another Area Board under this subsection, they may apply to the Gas Council for an authorisation to supply gas to consumers in

the area of that other Area Board and the Gas Council may give an authorisation to supply gas to consumers in such part of the area of that other Area Board and upon such terms and conditions as may be specified in the authorisation.

(4) Every Area Board shall have power to do any thing and to enter into any transaction (whether or not involving the expenditure, the borrowing in accordance with the provisions of this Act or the lending of money, the acquisition of any property or rights or the disposal of any property or rights) which in their opinion is calculated to facilitate the exercise or performance of any functions conferred or imposed on them by any enactment other than this subsection, or is incidental or conducive thereto.

(5) In carrying out any such measures of reorganization and works of development as involve substantial outlay on capital account, every Area Board shall act in accordance with a general programme settled by them from time to time with the approval of the Minister, and the Minister shall consult with the Gas Council before approving any such programme.

(6) In planning and carrying out any such programme as aforesaid an Area Board shall consult with the National Coal Board, if that Board is engaged in the area of the Area Board in activities relating to carbonization, and with other persons operating coke-oven plants in the area of the Area Board.

(7) In exercising and performing their functions every Area Board shall promote the welfare, health and safety of persons in the employment of the Board.

(8) Subject to and in accordance with any directions given by the Minister under section seven of this Act, every Area Board shall reduce, so far as practicable, the price of gas and coke and avoid undue preference in the supply of gas and coke.

(9) For the avoidance of doubt it is hereby declared that the preceding provisions of this section, so far as they confer powers on Area Boards, relate only to the capacity of Area Boards as statutory corporations, and nothing in those provisions shall be construed as authorising the disregard by any such Board of any enactment or rule of law.

2.—(1) There shall be established a Council, to be known as the Gas Council, and it shall be the duty of that Council—

(a) to advise the Minister on questions affecting the gas industry and matters relating thereto; and

(b) to promote and assist the efficient exercise and performance by Area Boards of their functions.

(2) The Gas Council shall have power, if so authorised by all the Area Boards or a group of Area Boards, to perform services for, or act on behalf of, the Boards concerned in relation to matters of common interest to those Boards.

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(3) The Gas Council shall have power—

- (a) to manufacture plant required by Area Boards, to sell or supply such plant to Area Boards, and to instal, repair, maintain or remove such plant ;
- (b) to manufacture gas fittings and coke fittings except for export, and to sell or supply such fittings.

(4) Every Area Board shall afford to the Gas Council facilities for obtaining information with respect to the property and activities of the Area Board, and furnish the Gas Council with returns, accounts and other information with respect thereto, and afford to the Gas Council facilities for the verification of information furnished, in such manner and at such times as the Gas Council may require.

(5) The Gas Council shall have power to do any thing and to enter into any transaction (whether or not involving the expenditure, the borrowing in accordance with the provisions of this Act or the lending of money, the acquisition of any property or rights or the disposal of any property or rights) which in their opinion is calculated to facilitate the exercise or performance of any functions conferred or imposed on them by any enactment other than this subsection or is incidental or conducive thereto.

(6) For the avoidance of doubt it is hereby declared that the preceding provisions of this section, so far as they confer powers on the Gas Council, relate only to the capacity of the Gas Council as a statutory corporation, and nothing in those provisions shall be construed as authorising the disregard by that Council of any enactment or rule of law.

Research.

3.—(1) It shall be the duty of the Gas Council to settle from time to time in consultation with the Minister a general programme of research into matters affecting gas supply and carbonization and other matters affecting the functions of Area Boards or the Gas Council.

(2) It shall be the duty of the Gas Council to secure the carrying out of any general programme settled as aforesaid, and for that purpose they may themselves conduct research into any of the matters aforesaid and make arrangements with any other person, including an Area Board, for the conduct of such research by them.

(3) Any Area Board may conduct research in accordance with arrangements made with the Gas Council as aforesaid, and may also, after consultation with the Gas Council, conduct research into such matters affecting the functions of the Board as are not included in the general programme settled as aforesaid.

Training and
education.

4.—(1) It shall be the duty of every Area Board, in consultation with any organization appearing to them to be appropriate, to make provision for advancing the skill of persons employed

by them, including the provision by them and the assistance of the provision by others of facilities for training and education.

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(2) Every Area Board shall, from time to time, on being so required by the Gas Council, submit to them programmes showing the provision to be made by them under the preceding subsection, and the Council shall co-ordinate those programmes and settle from time to time in consultation with the Minister a general programme with respect to the provision to be made by the Area Boards as aforesaid, and the Area Boards shall give effect to the programme so settled.

5.—(1) Every Area Board and the Gas Council shall be a body corporate with perpetual succession and a common seal and power to hold land without licence in mortmain.

Constitution
of Area
Boards and
Gas Council.

(2) Every Area Board shall be constituted as follows :—

- (a) not less than six nor more than eight members shall be appointed by the Minister from amongst persons appearing to him to be qualified as having had experience of, and shown capacity in, gas supply, local government, industrial, commercial or financial matters, applied science, administration, or the organization of workers ; and
- (b) there shall be one other member who shall be the person for the time being holding the office of chairman of the Gas Consultative Council established under the following provisions of this Part of this Act for the area of the Area Board :

Provided that until the Gas Consultative Council has been established, an Area Board shall be deemed to be properly constituted notwithstanding that the Board does not include the member referred to in paragraph (b) of this subsection and, during any period before the vesting date, an Area Board shall be deemed to be properly constituted if the chairman and three other members have been appointed.

(3) The Minister shall appoint two of the members of each of the Area Boards to be chairman and deputy chairman respectively of that Board, and either the chairman or the deputy chairman of each Board shall be a person appearing to the Minister to have had experience of, and shown capacity in, gas supply.

(4) The Gas Council shall be constituted as follows :—

- (a) the chairman and a deputy chairman shall be appointed by the Minister from amongst persons appearing to him to be qualified as having had experience of, and shown capacity in, gas supply, industrial, commercial or financial matters, applied science, administration, or the organization of workers ; and

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- (b) the remaining members shall be the persons for the time being holding the office of chairman of an Area Board :

Provided that the deputy chairman of an Area Board shall be entitled to attend and vote at meetings of the Gas Council in place of the chairman of that Board during any vacancy in the office of chairman or in the event of the chairman being unable to attend owing to illness or absence from Great Britain.

(5) A person shall be disqualified for being appointed or being a member of any Area Board or the Gas Council so long as he is a member of the Commons House of Parliament.

(6) There shall be paid to the members of each of the Area Boards and to the members of the Gas Council such remuneration (whether by way of salaries or fees) and such allowances as may be determined by the Minister with the approval of the Treasury, and, on the retirement or death of any member in whose case it may be so determined to make such provision, such a pension to or in respect of that member as may be so determined.

Any such remuneration, allowances and pensions as aforesaid shall be paid by the Area Board concerned or, as the case may be, the Gas Council.

(7) The Minister shall, as soon as possible after the passing of this Act, lay before each House of Parliament a statement of the remuneration and allowances that are or will be payable under the last preceding subsection to the members of each of the Area Boards and to the members of the Gas Council, and, if any subsequent determination by him under the last preceding subsection involves any departure from the terms of the said statement, the Minister shall as soon as possible after the determination lay a statement thereof before each House of Parliament.

(8) The Minister may make regulations with respect to—

- (a) the appointment of, and the tenure and vacation of office by, the members of any Area Board and the Chairman and Deputy Chairman of the Gas Council ;
- (b) the quorum, proceedings, meetings and determinations of any Area Board and the Gas Council ;
- (c) the execution of instruments and the mode of entering into contracts by and on behalf of any Area Board or the Gas Council, and the proof of documents purporting to be executed, issued or signed by any Area Board or the Gas Council or a member or officer thereof ; and
- (d) any other matters supplementary or incidental to the matters aforesaid for which provision appears to the Minister to be necessary or expedient.

(9) Subject to the provisions of any regulations made under the last preceding subsection, every Area Board and the Gas Council shall have power to regulate their own procedure.

6.—(1) The Minister shall before the vesting date by order define the areas for which Area Boards are established under this Act, and each area shall be so defined by reference to a map, and copies of the map of each area shall be available for inspection at such places and at such times as may be specified in a notice published by the Minister in the London Gazette and, in the case of the area of the Scottish Gas Board, the Edinburgh Gazette, and (in all cases) in such newspapers circulating in the area as the Minister thinks fit.

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Definition of
and variation
of areas.

(2) The Minister may by order vary the areas for which Area Boards are established under this Act, and such variation may involve not only the variation of the boundaries of existing areas but also the formation of a new area from any part of an existing area or parts of existing areas or the amalgamation of an existing area with any other such area or part thereof.

Any such order shall define by reference to a map the new areas or new boundaries constituted by the order, and copies of any such map shall be available for inspection in like manner as copies of the maps defining the original areas.

(3) If any question arises as to the exact boundary of any area, as defined by any order made under this section, it shall be determined by the Minister, after giving to the Area Boards concerned an opportunity to make representations on that question.

(4) An order made under subsection (2) of this section the effect of which is to increase or reduce the total number of such areas as aforesaid, or to constitute a new area for which a new Area Board is required to be established under the next following subsection, shall not be made unless a draft thereof has been laid before Parliament and has been approved by resolution of each House of Parliament.

(5) An order made under subsection (2) of this section shall state whether the areas affected by the order are to be regarded as the areas of existing Area Boards, or whether any such area is to be regarded as a new area for which a new Area Board is required to be established, and in the latter case a new Board shall be established in accordance with the preceding provisions of this Act and those provisions shall apply to that Board accordingly, and it shall be known by such name as may be specified in the order.

(6) An order made under subsection (2) of this section shall, if and so far as it appears to the Minister to be necessary or expedient in consequence of the variation of areas or the establishment of a new Area Board, provide—

(a) for the transfer of property, rights, liabilities and obligations from one Area Board to another;

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- (b) for the modification of agreements for the purpose of giving effect to the transfer of rights, liabilities and obligations thereunder from one Area Board to another and, in a case where part only of the rights, liabilities and obligations under any agreement are transferred, for substituting for that agreement separate agreements in the requisite terms, and for any apportionments and indemnities consequent thereon ;
- (c) for the purpose of transferring part of the land comprised in any lease vested in any such Board to another such Board, for the severance of that lease, and for apportionments and indemnities consequent thereon ;
- (d) for dissolving any Area Board the whole of whose functions are to be exercised by another Area Board or Boards, and for winding up the affairs of the Board to be dissolved ; and
- (e) for such other financial adjustments between the Boards concerned as may be required in consequence of any such transfer, and for any other matter supplementary to or consequential on the matters aforesaid, including the continuation of proceedings.

(7) An order under subsection (2) of this section shall not be made save after consultation with the Gas Council and after giving to each Area Board concerned an opportunity to make representations thereon to the Minister.

Powers of
Minister in
relation to
Area Boards
and Gas
Council.

7.—(1) The Minister may give to Area Boards generally or to a particular Area Board or to the Gas Council such directions of a general character as to the exercise and performance by those Boards or that Board or the Gas Council of their functions as appear to the Minister to be requisite in the national interest, and they shall give effect to any such directions :

Provided that—

- (a) before giving any such direction, the Minister shall consult with the Gas Council ; and
- (b) before giving any such direction to a particular Area Board, the Minister shall consult with that Board.

(2) The Minister may, after consultation with the Gas Council and the Area Board concerned, give to any Area Board directions as to the use or disposal of any assets vested in the Board by or under this Act which are not connected with the exercise of their powers set out in paragraphs (a) to (e) of subsection (2) of section one of this Act.

(3) Every Area Board and the Gas Council shall afford to the Minister facilities for obtaining information with respect to the property and activities of the Board or Council, and furnish him with returns, accounts and other information with respect

thereto, and afford to him facilities for the verification of information furnished, in such manner and at such times as he may reasonably require.

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8. In planning and carrying out any programme of capital development and reorganization of their activities relating to carbonization, the National Coal Board shall consult with the Gas Council and with any Area Board in whose area the activities are carried on.

Duty of National Coal Board to consult Area Boards with respect to carbonization development.

9.—(1) A Council, to be known as a Gas Consultative Council, shall, not later than six months after the vesting date, be established for the purposes mentioned in this section for the area of every Area Board.

Consultative Councils.

(2) A Gas Consultative Council shall consist of a chairman appointed by the Minister and not less than twenty nor more than thirty other members appointed by the Minister of whom—

- (a) not less than half nor more than three-quarters shall be appointed from a panel of persons nominated from amongst members of local authorities in the area by such associations as appear to the Minister to represent those authorities; and
- (b) the remainder shall be appointed, after consultation with such bodies as the Minister thinks fit, to represent commerce, industry, labour and the general interests of consumers of gas and other persons or organizations interested in the development of gas in the area.

In making the appointments mentioned in paragraph (b) of this subsection, the Minister shall have particular regard to any nominations made to him by the bodies aforesaid of persons who are recommended by them as having both adequate knowledge of the requirements of the interests to be represented and also the ability to exercise a wide and impartial judgment on the matters to be dealt with by the Council generally.

(3) A person shall be disqualified for being appointed or being the chairman of a Gas Consultative Council so long as he is a member of the Commons House of Parliament, but a member of a Gas Consultative Council other than the chairman shall not by reason of his appointment as such a member be disqualified for being elected to, or for sitting or voting as a member of, the Commons House of Parliament.

(4) The Gas Consultative Council for each area shall be charged with the duties—

- (a) of considering any matter affecting the supply of gas in the area, including the variation of tariffs and the provision of new or improved services and facilities within the area, being a matter which is the subject of a representation made to them by consumers or other persons requiring supplies of gas in that area, or which appears to them to be a matter to which consideration

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ought to be given apart from any such representation, and where action appears to them to be requisite as to any such matter, of notifying their conclusions to the Area Board ; and

- (b) of considering and reporting to the Area Board on any such matter which may be referred to them by that Board.

(5) Each of the Gas Consultative Councils shall be informed by the Area Board of that Board's general plans and arrangements for exercising and performing their functions under this Act in relation to the supply of gas in their area and may make representations thereon to that Board.

(6) The Area Board shall consider any conclusions, reports and representations notified or made to them by the Gas Consultative Council for their area under the two last preceding subsections and the Council may, after consultation with the Area Board, make representations to the Minister on matters arising thereout.

(7) Where representations have been so made to the Minister and it appears to him after consultation with the Gas Council that there may be a defect in that Area Board's general plans and arrangements for exercising and performing their functions under this Act in relation to the supply of gas in their area, the Minister shall refer the representations for inquiry and report by a person appointed by him after consultation with the Lord Chancellor or, in the case of the Scottish Gas Board, after consultation with the Secretary of State, and if the Minister, after considering the report of the said person, is satisfied that there is a defect in the Area Board's general plans and arrangements aforesaid, he shall give to the Area Board such directions as he thinks fit for remedying the defect and the Area Board shall give effect to any such directions, and the Minister shall send a copy of any such directions to the Gas Consultative Council.

(8) Every Gas Consultative Council shall prepare and submit to the Minister a scheme for the appointment by them of committees or individuals to be local representatives of the Council in such localities as may be specified in the scheme, and it shall be the duty of such committees and individuals to consider the particular circumstances and requirements of those localities with respect to the supply of gas and to make representations to the Council thereon, and to be available for receiving on behalf of the Council representations from consumers in those localities ; and, if the scheme is approved by the Minister, the Gas Consultative Council shall put it into effect.

A member of a Gas Consultative Council shall be eligible for appointment under such a scheme, either as a member of a committee or as an individual, but membership of the Council shall not be a necessary qualification for such an appointment.

(9) A Gas Consultative Council may, subject to the approval of the Minister as to numbers, appoint such officers as appear to the Council to be requisite for the proper exercise and performance of their functions (including functions of any committee or individual appointed under the last preceding subsection), and the Area Board shall pay—

(a) to the members of the Council or of any such committee or to any such individual such allowances in respect of any loss of remunerative time and such travelling allowances and allowances in respect of their out-of-pocket expenses ; and

(b) to the officers of the Council such remuneration (whether by way of salary or fees) and such allowances, as the Minister may with the approval of the Treasury determine, and shall pay such expenses incurred by the Council or any such committee or individual as the Minister may with such approval determine.

(10) A Gas Consultative Council shall be furnished by the Area Board concerned with such office accommodation as appears to the Board to be requisite for the proper exercise and performance of their functions (including the functions of any such committee or individual as aforesaid) or as may be directed by the Minister.

(11) Where, in consequence of the variation of the areas of Area Boards under the preceding provisions of this Part of this Act, it is necessary to establish new Gas Consultative Councils under this section, the Minister may by order provide for dissolving and winding up the affairs of any Gas Consultative Council who cease to exercise or perform functions by reason of the variation.

(12) Provision may be made by regulations in relation to Gas Consultative Councils for any matters for which provision may be made by regulations under section five of this Act in relation to Area Boards and the Gas Council, and for the appointment of a deputy chairman of any Consultative Council, and, subject to the provisions of any such regulations, a Consultative Council shall have power to regulate their own procedure.

10.—(1) Every Area Board and the Gas Council shall, as soon as possible after the end of each financial year, make to the Minister a report on the exercise and performance by them of their functions during that year and on their policy and programmes, and every Area Board shall, as soon as their report has been made to the Minister, send a copy thereof to the Gas Council.

Annual reports
of Area Boards
and Gas
Council.

(2) Every such report of any Area Board or of the Gas Council for any year required by this section shall set out any direction given by the Minister to the Board or Council during that year unless the Minister has notified the Board or Council of his opinion that it is against the interests of national security to do so.

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(3) The Minister may give directions as to the form of the reports to be made under the preceding provisions of this section, and the Area Boards and the Gas Council shall comply with any such directions.

(4) A Gas Consultative Council shall, as respects each financial year of the Area Board for their area, make to the Board a report on the exercise and performance by the Consultative Council of their functions during that year, and the said report shall be made to the Board as soon as possible, and in any case not later than three months after the end of the said financial year, and the Board shall include that report in the report made by them under this section.

(5) The Minister shall lay before each House of Parliament a copy of the report made for each financial year by each Area Board and the Gas Council, and shall at the same time lay before each House of Parliament a report with respect to the exercise of his functions during that year under this Act except as regards matters which in his opinion it is against the interests of national security to disclose.

Compulsory
purchase of
land.9 & 10 Geo. 6.
c. 49.

11.—(1) The Minister may authorise any Area Board to purchase compulsorily any land which they require for the exercise and performance of their functions, and the Acquisition of Land (Authorisation Procedure) Act, 1946 (except section two thereof), shall apply, in relation to any such compulsory purchase, as if the Board were a local authority within the meaning of that Act and as if this Act had been in force immediately before the commencement of that Act.

(2) In this section the expression "land" includes easements and other rights over land, and an Area Board may be authorised under this section to purchase compulsorily a right to place a gas pipe across land, whether above or below ground, and to repair, maintain and remove the pipe, without purchasing any other interest in the land :

Provided that an Area Board shall not be authorised under this section to purchase compulsorily a right to place a gas pipe above ground unless the Minister is satisfied that it is not reasonably practicable to place it below ground.

In relation to the compulsory purchase of any such right to place a gas pipe across land, the said Acquisition of Land (Authorisation Procedure) Act, 1946 (except section two thereof), and the enactments incorporated therewith shall have effect as if references (whatever the terms used) to the land comprised in the compulsory purchase order were construed, where the context so requires, as references to the land across which the pipe is to be placed, and references to the obtaining or taking possession of the land so comprised were construed as references to the exercise of the said right.

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Power of
Boards and
Council to
promote and
oppose Bills.

12. Any Area Board and the Gas Council may, with the consent of the Minister, promote Bills in Parliament and may, without any such consent, oppose any Bill in Parliament, and this power shall be in lieu of any power to promote or oppose Bills which an Area Board might otherwise possess under any of the provisions of this Act as successors to any statutory undertakers.

13.—(1) Subject to the provisions of subsection (2) of this section, nothing in this Act shall be deemed to exempt any Area Board or the Gas Council from any liability for any tax, duty, rate, levy or other charge whatsoever whether general or local.

Boards and
Council not to
be exempt
from taxation,
etc.

(2) For the purposes of section fifty-two of the Finance Act, 1946 (which exempts from stamp duty certain documents connected with nationalisation schemes) any transfer of property from one Area Board to another such Board or from the Gas Council to an Area Board, being a transfer effected by an order made under this Act, shall be deemed to be part of the initial putting into force of such a scheme.

9 & 10 Geo. 6.
c. 64.

14.—(1) The Public Authorities Protection Act, 1893, and section twenty-one of the Limitation Act, 1939, shall not apply to any action, prosecution or proceeding against any Area Board or the Gas Council or in respect of any act, neglect or default done or committed by a servant or agent of any such Board or the Gas Council in his capacity as a servant or agent of theirs.

Liability of
Boards and
Council in
actions, etc.56 & 57
Vict. c. 61.
2 & 3 Geo. 6.
c. 21.

(2) In their application to any such action as aforesaid sections two and three of the Limitation Act, 1939 (which relate to limitation of actions of contract and tort and certain other actions), shall have effect with the substitution therein for references to six years of references to three years.

PART II.

ACQUISITION OF GAS UNDERTAKINGS.

Vesting of assets.

15.—(1) Subject to the provisions of this and the next following section, this Part of this Act applies to—

Undertakers
to whom
Part II of
Act applies.

(a) every person who carries on a gas undertaking authorised by any enactment ;

(b) every person who carries on a gas undertaking not authorised by any enactment but providing supplies of gas the whole or main part of which was, during the year nineteen hundred and forty-seven, consumed by persons other than the undertaker, any subsidiary or holding company of the undertaker, and any subsidiary of a holding company of the undertaker ; and

PART II.
—cont.

- (c) every company, not being a private company, which—
- (i) had, at the date of the last audited balance sheet of the company before the first day of January, nineteen hundred and forty-eight, one or more subsidiaries, being statutory undertakers or non-statutory undertakers (as hereinafter defined); and
 - (ii) at the said date held securities of, or rights in respect of loans made to, the said subsidiaries, the value of which as shown in that balance sheet, amounted to not less than seventy-five per cent. of the total amount of all the assets of the holding company as so shown;

and references to an undertaker to whom this Part of this Act applies shall be construed as referring to such a person or company as aforesaid:

Provided that this Part of this Act shall not apply to the National Coal Board or the British Transport Commission.

(2) In this Act—

- (a) any such person as is mentioned in paragraph (a) of the preceding subsection is referred to as a “statutory undertaker”;
- (b) any such person as is mentioned in paragraph (b) of that subsection, being a person whose gas undertaking is the whole or main part of his business, is referred to as a “non-statutory undertaker”;
- (c) any such company as is mentioned in paragraph (c) of that subsection, not being a statutory or a non-statutory undertaker, is referred to as a “gas holding company”; and
- (d) any such person as is mentioned in paragraph (b) of that subsection, not being a non-statutory undertaker or a gas holding company, is referred to as an “ancillary gas undertaker”.

(3) Any company, not being a statutory or non-statutory undertaker or a gas holding company, but holding securities of, or rights in respect of loans made to, any statutory undertaker or non-statutory undertaker which amount to a substantial proportion of the assets of the company, may serve on the Minister not later than four months after the passing of this Act a notice stating that the company wishes to be treated as a gas holding company, and the Minister may, on the service of such a notice, if he thinks fit, by order direct that this Act shall have effect, and be deemed to have always had effect, as if the company were a gas holding company, and this Act shall have effect accordingly.

(4) Any ancillary gas undertaker may serve on the Minister not later than four months after the passing of this Act a notice stating that, owing to the special character of the business of the undertaker, this Part of this Act ought not to apply to him or

the application thereof ought to be postponed and the Minister may, on the service of such a notice, if he thinks fit, by order direct that this Part of this Act shall not apply, and shall be deemed never to have applied, to that undertaker or that the vesting date shall, in relation to that undertaker, be postponed for such period as the Minister may direct, and this Act shall have effect accordingly.

(5) For the purposes of paragraph (c) of subsection (1) of this section, where the value of any such securities or rights as are therein mentioned is not separately shown in the balance sheet therein mentioned, by reason that they are grouped with other assets of the company and the balance sheet shows the value of the group as a whole, the value placed on the said securities or rights in the books of the company and used in arriving at the value of the group of assets as so shown shall have effect as if it had been shown separately in the balance sheet.

16.—(1) The Minister shall, within the prescribed period, serve on every person who in his opinion is an undertaker to whom this Part of this Act applies other than a statutory undertaker a notice stating that that person is in his opinion such an undertaker and also stating in which of the categories mentioned in subsection (2) of the last preceding section that person in the Minister's opinion is included, and—

Determination
of questions
as to
application
of Part II
of Act.

(a) unless that person contends by a counter notice served on the Minister, within two months after the service of the Minister's notice, that in his opinion this Part of this Act does not apply to him and the counter notice is not withdrawn, this Part of this Act shall be deemed to apply to him ; and

(b) unless that person contends by a counter notice served as aforesaid (and not withdrawn) that in his opinion he is included in a different category of undertaker, he shall (subject to any contention that this Part of this Act does not apply to him) be deemed to be included in the category stated in the notice of the Minister.

(2) Where any person (other than a statutory undertaker) on whom the Minister has not served a notice under the last preceding subsection within the period prescribed therefor is of the opinion that he is an undertaker to whom this Part of this Act applies, he may within two months after the expiration of the period aforesaid, serve a notice on the Minister in the prescribed form stating that in his opinion this Part of this Act applies to him and also stating in which of the said categories in his opinion he is included, and—

(a) unless the Minister contends by a counter notice served on the said person within such period as may be prescribed that in the Minister's opinion this Part of this Act does not apply to the said person and the counter

PART II.
—cont.

notice is not withdrawn, this Part of this Act shall be deemed to apply to him ; and

- (b) unless the Minister contends by a counter notice served as aforesaid (and not withdrawn) that the said person is included in a different category of undertaker, he shall (subject to any contention that this Part of this Act does not apply to him) be deemed to be included in the category stated in the notice served by the said person.

(3) The serving of a notice under subsection (4) of the last preceding section shall not be taken as prejudicing the right of the person serving the notice to contend, by means of a counter notice served under this section, that this Part of this Act does not apply to him.

(4) Where, in the case of any person other than a statutory undertaker, no notice has been served by the Minister or by that person in accordance with the preceding provisions of this section, this Part of this Act shall be deemed not to apply to that person.

(5) Where a counter notice is served in accordance with the preceding provisions of this section and is not withdrawn, any question raised by the counter notice whether this Part of this Act applies to the person by or on whom the counter notice was served or as to the category of undertaker in which the said person is included shall, in default of agreement between him and the Minister, be determined by arbitration under this Act.

(6) Where a question has been referred to arbitration in accordance with the last preceding subsection, then, unless the arbitration tribunal determine that this Part of this Act does not apply to that person, the tribunal may, and if the vesting date has already occurred shall, fix a later date which, in relation to that person, shall be deemed to be, and always to have been, the vesting date for the purposes of this Act.

Vesting of
assets.

17.—(1) Subject to the provisions of this Part of this Act, all property, rights, liabilities and obligations which, immediately before such date as may be appointed by order of the Minister (in this Act referred to as "the vesting date"), were property, rights, liabilities and obligations of an undertaker to whom this Part of this Act applies, shall on the vesting date vest by virtue of this Act and without further assurance in such Area Board as may be determined by order of the Minister :

Provided that in the case of a gas holding company the Minister may by order provide that the said property, rights, liabilities and obligations of the company, or such part thereof as may be specified in the order, shall, pending the transfer thereof under the following provisions of this Part of this Act to one or more Area Boards, vest in the Gas Council and not in an Area Board.

(2) The vesting date shall not be less than three months after the establishment of the Gas Council and all the Area Boards and the definition by order made under Part I of this Act of all the areas for which those Boards are established, and shall not be earlier than the first day of April, nineteen hundred and forty-nine.

(3) Subject to the provisions of this Part of this Act, every agreement to which any undertaker to whom this Part of this Act applies was a party immediately before the vesting date, whether in writing or not, and whether or not of such a nature that rights, liabilities and obligations thereunder could be assigned by the undertaker, shall, unless its terms or subject matter make it impossible that it should have effect as modified in manner provided by this subsection, have effect as from the vesting date as if—

- (a) the appropriate Board had been a party to the agreement ;
- (b) for any reference (however worded and whether express or implied) to the undertaker there were substituted, as respects anything falling to be done on or after the vesting date, a reference to the appropriate Board ;
- (c) in the case of an undertaker being a company, for any reference (however worded and whether express or implied) to the directors or any director of the company there were substituted, as respects anything falling to be done on or after the vesting date, a reference to such person as the appropriate Board may direct ;
- (d) for any reference (however worded and whether express or implied) to any officer of the undertaker not being a party to the agreement and beneficially interested therein there were substituted, as respects anything falling to be done on or after the vesting date, a reference to such person as the appropriate Board may appoint or, in default of appointment, to the officer of the Board who corresponds as nearly as may be to the first mentioned officer ;
- (e) in the case of an agreement for the rendering of personal services to the undertaker, the services to which the agreement relates were, on and after the vesting date, any services under the appropriate Board, to be selected by that Board, which are reasonably equivalent services ; and
- (f) save as provided by the three last preceding paragraphs, for any reference (however worded and whether express or implied) to the undertaking of the undertaker or any part of that undertaking or to the limits of supply of the undertaker or any part thereof there were substituted, as respects anything falling to be done on or after the vesting date, a reference to so much of the

PART II.
—cont.

business carried on by the appropriate Board as corresponds to the undertaking or part of the undertaking of the undertaker or, as the case may be, a reference to the area comprised in the said limits immediately before the vesting date or part thereof.

(4) Every agreement, whether in writing or not, and every document (not being an agreement or a document to which the last preceding subsection applies or an enactment) which refers whether specifically or generally to any such undertaker shall be construed in accordance with the provisions of the last preceding subsection, so far as applicable.

(5) Without prejudice to the generality of the preceding provisions of this section, where any right, liability or obligation vests by virtue of this Act, the appropriate Board and all other persons shall, as from the vesting date, have the same rights, powers and remedies (and in particular the same rights as to the taking or resisting of legal proceedings or the making or resisting of applications to any authority) for ascertaining, perfecting or enforcing that right, liability or obligation as they would have had if it had at all times been a right, liability or obligation of the Board, and any legal proceedings or applications to any authority pending on the vesting date by or against the undertaker, in so far as they relate to any property, right, liability or obligation vested by virtue of this Act or to any agreement or document which has effect in accordance with subsection (3) or subsection (4) of this section or to any enactment applied by or under this Act, shall be continued by or against the appropriate Board to the exclusion of the undertaker.

(6) Notwithstanding anything in this section—

- (a) there shall not, by reason of the vesting of property, rights, liabilities or obligations of any undertaker to whom this Part of this Act applies in any Area Board or in the Gas Council, be transferred to the Board or the Council any right, liability or obligation of the undertaker in respect of any securities issued by the undertaker ;
- (b) where any agreement provides for the borrowing of money by any such undertaker or the raising of money by the issue of securities of any such undertaker and the money has not been borrowed or raised before the vesting date, no right, liability or obligation under the agreement shall be transferred to any Area Board or to the Gas Council ; and
- (c) no right, liability or obligation under any agreement for the rendering by any person of services to any such undertaker as a director (other than a managing director or a director whose functions are substantially those of an employee) shall be transferred to any such

Board or to the Gas Council, except any liability in respect of fees earned or expenses incurred before the vesting date.

PART II.
—cont.

(7) Regulations may provide for the registration of the title of any Area Board or of the Gas Council to assets vesting in them by virtue of this Act, being assets of a kind subject to provision for the registration of title thereto, and for any matters for which provision appears to the Minister to be necessary or expedient for the purpose of securing the effective transfer of any assets vesting in any such Board or in the Gas Council by virtue of this Act.

(8) In this section the expression “the appropriate Board” means—

- (a) in relation to any property, rights, liabilities and obligations which vest by virtue of this Act in an Area Board or any agreement or other document which relates to any such property, rights, liabilities or obligations, that Board; and
- (b) in relation to any property, rights, liabilities and obligations which vest by virtue of this Act in the Gas Council or any agreement or other document which relates to any such property, rights, liabilities or obligations, that Council.

(9) Subject to the next following section, every undertaker to whom this Part of this Act applies, being a body corporate, shall be dissolved on the vesting date.

18.—(1) In a case where an undertaker to whom this Part of this Act applies—

- (a) is a local authority; or
- (b) is a company (in this Act referred to as a “composite company”) which supplies water as well as gas under the authority of an enactment; or
- (c) is an ancillary gas undertaker; or
- (d) is not a body corporate; or
- (e) is an Electricity Board;

Provisions
as to
undertakers
whose gas
undertakings
only are
taken over.

the provisions of the last preceding section shall only apply to property held or used by the undertaker wholly or mainly for the purposes of his gas undertaking or wholly or mainly in his capacity as a gas undertaker, and to rights, liabilities and obligations acquired or incurred, and agreements made, by the undertaker wholly or mainly for those purposes or in that capacity, and to documents, legal proceedings and applications relating to the purposes of the gas undertaking or to the undertaker in his capacity as a gas undertaker, and references in that section to the property, rights, liabilities and obligations of an undertaker to whom this Part of this Act applies, or to any agreement to which any such undertaker was a party, or to

PART II.
—cont.

documents referring to any such undertaker or to legal proceedings or applications by or against any such undertaker, shall be construed accordingly, and subsection (9) of the last preceding section shall not apply to any such undertaker :

Provided that this section shall not apply to any undertaker being a composite company, if that undertaker serves on the Minister, not later than four months after the passing of this Act, a notice stating that the undertaker does not wish this section to apply to him, and references in this Act to a composite company shall not be construed as referring to any undertaker who has served such a notice.

(2) Regulations shall provide—

(a) for the determination of the question whether any property is or was held or used by the undertaker wholly or mainly for the purposes of his gas undertaking, or wholly or mainly in his capacity as a gas undertaker, or whether any rights, liabilities, or obligations were acquired or incurred, or any agreement was made, by the undertaker wholly or mainly for the said purposes or in that capacity, or whether any documents relate to the purposes of the gas undertaking or to the undertaker in his capacity as a gas undertaker ;

(b) for excluding from or including in the property, rights, liabilities and obligations which vest in an Area Board by virtue of this Act and the agreements which have effect in accordance with subsection (3) of the last preceding section such property, rights, liabilities and obligations held, used, acquired or incurred, and such agreements made, by any undertaker to whom this section applies partly for the purposes of his gas undertaking and partly for other purposes, or partly in his capacity as a gas undertaker and partly in any other capacity, on such terms (which may include the payment of money), as may be determined in accordance with the regulations ;

(c) for requiring any Area Board, as respects property which vests in them by virtue of this Act, being property held or used by any undertaker to whom this section applies partly for the purposes of his gas undertaking and partly for other purposes, or partly in his capacity as a gas undertaker and partly in any other capacity, to grant to the undertaker such interests in the property or rights over or attaching to the property or in respect of the user thereof, on such terms (which may include the payment of money) as may be determined in accordance with the regulations, or for requiring the similar grant of interests or rights by the

- undertaker to the Area Board in a case where such property does not vest in the Board ;
- (d) for conferring on any Area Board in whom land of any undertaker to whom this section applies is vested easements and other rights over or attaching to other land of the undertaker, being easements and rights which are required to enable land which is so vested to be used for the purposes of the Board, on such terms (which may include the payment of money) as may be determined in accordance with the regulations ;
- (e) for the severance of leases comprising land of which part only vests in an Area Board by virtue of this Act, and for apportionments and indemnities consequent on such severance ;
- (f) for substituting for any agreement entered into by any undertaker to whom this section applies partly for the purposes of his gas undertaking and partly for other purposes or partly in his capacity as a gas undertaker and partly in any other capacity separate agreements in the requisite terms, and for any apportionments and indemnities consequent thereon ;
- (g) for the apportionment of, and the making of financial adjustments with respect to, any liabilities incurred by any undertaker to whom this section applies partly for the purposes of his gas undertaking and partly for other purposes, or partly in his capacity as a gas undertaker and partly in any other capacity, and for any necessary variation of mortgages and encumbrances relating to such liabilities ; and
- (h) for any other matters supplementary to or consequential on the matters aforesaid for which provision appears to the Minister to be necessary or expedient.

For the purposes of this subsection, any property which is held or used by any undertaker to whom this section applies temporarily for the purposes of his gas undertaking and normally for other purposes, or normally for the purposes of his gas undertaking and temporarily for other purposes, shall be deemed to be property held or used by the undertaker partly for the purposes of his gas undertaking and partly for other purposes.

(3) Where at any time before the expiration of three months beginning with the vesting date any undertaker to whom this section applies has served on the Area Board concerned, or the Area Board has served on the undertaker, a notice in the prescribed form stating that a question has arisen under this section or under any regulations made thereunder as to—

- (a) whether any property is or was held or used by the undertaker wholly or mainly for the purposes of his gas

PART II.
—cont.

- undertaking or in his capacity as a gas undertaker and accordingly vests in the Area Board by virtue of this Act ;
- (b) whether any property of the undertaker ought to be excluded from or included in the property which so vests ; or
- (c) whether interests in any property of the undertaker, or rights over or attaching to such property or in respect of the user thereof, ought to be granted by the undertaker to the Area Board or by the Board to the undertaker ;

and the question has not been determined before the vesting date, the property concerned shall not, pending such determination, vest in the Area Board by virtue of this Act and, if the notice is given after the vesting date, shall be deemed not to have so vested, but the property shall, so far as it is so to vest having regard to the determination, vest on such date as may be determined, and pending the determination of the said question and, if any property is to vest or any interests or rights are to be granted in accordance therewith, pending the vesting or granting thereof, the Area Board shall be entitled and shall be deemed to have been entitled as from the vesting date to use the property for the like purposes and to the like extent as it was used, immediately before that date, by the undertaker for the purposes of his gas undertaking, on such terms (which may include the payment of money) as may be determined in accordance with the regulations.

(4) Nothing in the preceding provisions of this Part of this Act shall have effect so as to vest in any Area Board or provide for the apportionment to any Area Board of any liabilities or obligations of any local authority in respect of any loan raised by the authority, or any property forming part of a sinking fund established for the redemption of any such loan.

(5) No part of the cash and investments of a composite company shall vest in an Area Board under the preceding provisions of this Part of this Act, but regulations shall, subject to the provisions of this Part of this Act with respect to the final payment of dividends and interest, provide for the apportionment, as between the Board and the company, of the whole of the cash and investments of the company, together with any income accruing thereon pending such apportionment, in such shares as may be determined in accordance with the regulations.

Any references in the following provisions of this Act to property which vests by virtue of this Act shall include a reference to property apportioned to an Area Board under this section.

(6) No cash or investments of an ancillary gas undertaker or an undertaker who is not a body corporate shall vest in an Area Board under the preceding provisions of this Part of this Act.

(7) Any property of any undertaker to whom this section applies which vests in an Area Board, being property subject to a mortgage or encumbrance created for securing the payment of any debt which does not vest in the Board by virtue of this Act and is not apportioned as between the Board and the undertaker, shall vest free of the mortgage or encumbrance.

(8) Regulations made under this section shall provide that any questions to be determined in accordance with the regulations shall be determined by agreement between the Area Board and the undertaker concerned, or in default of agreement shall—

- (a) in a case where the undertaker concerned is a local authority, be determined by the Minister of Health; and
- (b) in any other case, be determined by arbitration under this Act.

(9) In relation to undertakers to whom this section applies or any class of such undertakers, references in the following provisions of this Part of this Act to an undertaker to whom this Part of this Act applies (not being references which expressly exclude undertakers to whom this section applies or that class of those undertakers) shall be construed as referring to those undertakers in their capacity as gas undertakers and in that capacity only.

19.—(1) Where a local authority have before the vesting date made arrangements for the making of financial adjustments, as between the accounts of the gas undertaking of the local authority and any other account of the local authority, in respect of any transaction or matter affecting both their functions as a gas undertaker and other functions of the authority, and in pursuance of those arrangements any amounts would, but for this Act, have fallen on or after the vesting date properly to be debited or credited in the accounts of the gas undertaking of the local authority and credited, or, as the case may be, debited, in some other account of the local authority, the Area Board in whom property, rights, liabilities and obligations of the local authority vest by virtue of this Act shall, subject as hereinafter provided, pay those amounts to the local authority or be entitled to receive those amounts from the authority, as the case may be, at the times at which, but for this Act, those amounts would have fallen to be debited or credited in the accounts of the gas undertaking of the local authority :

Adjustment of matters outstanding as between accounts of gas undertaking and other accounts of local authority.

Provided that this subsection shall not apply in relation to any apportionment of establishment charges between the accounts of the gas undertaking and other accounts of the local authority.

(2) The said Area Board and the local authority may agree or the Minister of Health may, on the application of either party in default of such agreement, determine that, having regard to the circumstances in which any such arrangements were made and

PART II.
—cont.

the circumstances arising under this Act, the last preceding subsection shall not apply to those arrangements or shall apply thereto with such modifications as to the payments to be made by the Board or the local authority as may be so agreed or determined, and the said subsection shall have effect subject to any such agreement or determination.

Any other question arising under the last preceding subsection as to the payments to be made thereunder shall, in default of agreement, be determined by the Minister of Health.

(3) Any payment made by the said Area Board or the local authority under the preceding provisions of this section which would, but for this Act, have been debited or credited as a capital payment shall be deemed to be a capital payment, and any other such payment shall be deemed to be an annual payment.

(4) Nothing in this section shall apply to any arrangements made with respect to any loan raised or advance made for the purposes of the gas undertaking of the local authority.

Payments in respect of reserves of composite companies.

20.—(1) Where, in the case of a composite company, a reserve is shown in the last audited balance sheet of the company before the vesting date, and either—

(a) the reserve or a part thereof is derived from profits made by such part of the company's undertaking as is not included in the gas undertaking or from other assets held for the purposes of that part of the company's undertaking but is represented immediately before the vesting date by assets (other than cash or investments) which will vest by virtue of this Act in an Area Board ;
or

(b) the reserve or a part thereof is derived from profits made by the gas undertaking of the company or from other assets held for the purposes of the gas undertaking but is represented immediately before the said date by assets (other than cash or investments) which will not vest as aforesaid,

the Area Board shall, in the first mentioned case, pay to the company, and, in the second mentioned case, be entitled to receive from the company, a sum equal to the amount of the reserve or part thereof.

(2) Any question arising under the preceding subsection shall, in default of agreement, be determined by arbitration under this Act.

(3) This section shall apply in relation to any provision (within the meaning of paragraph 1 of Part IV of the Eighth Schedule to the Companies Act, 1948) shown in the said balance sheet and in relation to any undistributed profits so shown as it applies in relation to a reserve so shown.

11 & 12 Geo. 6.
c. 38.

(4) Any payment made by an Area Board or composite company under this section shall be deemed to be a capital payment.

21.—(1) Where any land of a local authority or composite company vests by virtue of this Act in an Area Board, the authority or company shall, for a period of ten years from the date of the vesting of the land, have the right of pre-emption conferred by the subsequent provisions of this section.

PART II.
—cont.

Right of pre-emption for local authorities and composite companies in respect of land vested in an Area Board.

(2) If the Area Board in whom the land vests by virtue of this Act, or any other Area Board to whom it is subsequently transferred, desire within the said period of ten years, to dispose to any person other than an Area Board, whether absolutely or for a term of years, of any of that land as being land not required by the Board for the discharge of their functions under this Act, they shall before disposing of it give to the local authority or composite company at least three months' notice, stating whether they desire to dispose of it absolutely and, if not, stating the term of years for which they desire to dispose of it.

(3) Where the local authority or composite company receive a notice under subsection (2) of this section and notify the Board, before the expiration of the period of three months from the date of the Board's notice, that they desire to acquire the land either absolutely or for the term of years specified in the Board's notice, as the case may be, they shall have the right and be under an obligation to acquire that land on such terms as may be agreed between the Board and the authority or company or, in default of agreement, as may be determined by arbitration to be fair and reasonable having regard to all the circumstances of the case.

(4) The right of pre-emption conferred upon the local authority or composite company by this section shall be deemed to be an estate contract within the meaning of section ten of the Land Charges Act, 1925, and that Act and the Land Registration Act, 1925, shall have effect accordingly.

15 & 16 Geo. 5.
c. 22.
15 & 16
Geo. 5. c. 21.

22.—(1) Where there are vested in any Area Board or in the Gas Council the rights, liabilities and obligations of any undertaker to whom this Part of this Act applies, being rights, liabilities and obligations under an agreement made or varied on or after the nineteenth day of November, nineteen hundred and forty-five, and the Board or Council are of opinion that the making or the variation of that agreement was not reasonably necessary for the purposes of the activities of the said undertaker or that the agreement was made or varied with an unreasonable lack of prudence on the part of the said undertaker, the Board or Council may, by notice in writing given to the other parties to the agreement before the expiration of three months from the vesting date, disclaim the agreement:

Disclaimer of agreements and leases.

Provided that any of the said parties may, within the prescribed period from the date on which the notice is served,

PART II.
—cont.

refer to arbitration under this Act the question whether or not the agreement ought to be disclaimed.

(2) On such arbitration, the arbitration tribunal, if satisfied that the agreement or variation was not reasonably necessary as aforesaid or was made with unreasonable lack of prudence, shall confirm the notice and if not so satisfied shall revoke it :

Provided that, if the arbitration tribunal are satisfied that the agreement or variation thereof was made in the ordinary course of business and was in no way connected with any provision made by this Act, or with any anticipation of the making of any such provision, the tribunal shall revoke the notice.

(3) Where a notice is so given by an Area Board or by the Gas Council with respect to any agreement and is not revoked by the arbitration tribunal—

- (a) subsection (3) of section seventeen of this Act shall be deemed never to have applied to the agreement ;
- (b) the agreement shall be deemed to have been frustrated on the vesting date and the parties thereto for that reason to have been discharged from the further performance thereof ; and
- (c) the like consequences shall follow as between the Board or Council and any party to the agreement who, before the date on which the notice of disclaimer becomes final, has in pursuance of the agreement, supplied goods or rendered services to the Board or Council which they have accepted, or to whom, before the said date, the Board or Council have, in pursuance of the agreement, supplied goods or rendered services which he has accepted, as would have followed if those goods or services had been supplied or rendered at the request of the Board or Council or of that party, as the case may be, apart from the agreement, and any payments by or to the Board or Council before the said date shall be adjusted accordingly.

For the purposes of this subsection, a person who permits another to use or enjoy any property or rights shall be deemed to render a service to him.

(4) Subsections (1) and (2) of this section, but not subsection (3), shall apply to leases, and where a notice of disclaimer is given by an Area Board or by the Gas Council under subsection (1) with respect to any lease and is not revoked by the arbitration tribunal, the lease shall be deemed to be surrendered on the date on which the notice of disclaimer becomes final.

(5) Where any lease is disclaimed under this section the arbitration tribunal may, on the application of the Board or Council who gave the notice or the other party to the lease,

make such modifications (if any) of the provisions of the lease relating to repairing obligations or any other provisions taking effect on or within a limited time before the determination of the lease as they think just.

(6) Where any agreement (other than a lease) is disclaimed under this section, then, for the purposes of the Law Reform 6 & 7 Geo. 6. (Frustrated Contracts) Act, 1943, the Area Board or the Gas Council, as the case may be, shall be deemed to have been a party to the agreement in lieu of the undertaker from whom rights, liabilities or obligations thereunder were or would, but for the frustration, have been transferred. c. 40.

(7) For the purposes of this section a notice of disclaimer which is not revoked shall be deemed to become final on the following date, that is to say,—

- (a) if no reference to arbitration is made under subsection (1) of this section, the date on which the period for making such a reference expires ;
- (b) in any other case, the date on which the notice is confirmed by the arbitration tribunal.

(8) This section shall not apply to any agreement or lease made or varied with the previous consent of the Minister of Health given for the purpose of any enactment other than this section nor shall it apply to any agreement or lease the making or variation of which has been approved in writing by the Minister, either generally or specially and whether before or after the date of the making or variation of the agreement or lease.

23.—(1) Where any undertaker to whom this Part of this Act applies was, immediately before the vesting date, giving a supply of gas outside the area of the Area Board in whom the property, rights, liabilities and obligations of the undertaker vest by virtue of this Act, the Area Board shall, if necessary, make arrangements with the Area Board in whose area the said supply was being given for the continuance by the first-mentioned Board of the said supply and, if the Boards concerned fail to make such arrangements, the Minister shall give directions requiring the first-mentioned Board to continue the said supply of gas. Provisions as to undertakings carried on in areas of different Area Boards.

(2) The first-mentioned Area Board shall have power in accordance with any arrangements made or directions given under this section to continue the said supply of gas, but such arrangements and directions shall only have effect pending the transfer under the next following section to the Area Board in whose area the gas is so supplied, of the property, rights, liabilities and obligations used for the purposes of or arising in connection with such supply.

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Subsequent transfer of property from the Gas Council to an Area Board or from one Area Board to another.

24.—(1) The Minister shall as soon as practicable provide by order—

- (a) for the transfer of property, rights, liabilities and obligations vested under this Part of this Act in the Gas Council, including any sums paid or liabilities passing to the Council under any of the following provisions of this Part of this Act, to such Area Board or Boards as he thinks fit ; and
- (b) for the transfer to the Area Board in whose area gas is supplied under the last preceding section of the property, rights, liabilities and obligations referred to in subsection (2) of that section.

(2) The Minister may provide by order for the transfer to any Area Board of any property, rights, liabilities or obligations vested by virtue of this Act in another such Board.

(3) Any order made under this section may make provision—

- (a) for the modification of agreements so far as necessary for giving effect to any transfer of rights, liabilities and obligations made by the order and, in a case where part only of the rights, liabilities and obligations under any agreement are transferred, for substituting for the agreement separate agreements in the requisite terms, and for any apportionments and indemnities consequent thereon ;
- (b) for the purpose of transferring part of the land comprised in any lease vested in any Area Board, for the severance of that lease, and for apportionments and indemnities consequent thereon ;
- (c) for such other financial adjustments between the parties to any such transfer as may be required in consequence of the transfer, and for any other matters supplementary to or consequential on the matters aforesaid for which provision appears to the Minister to be necessary or expedient, including the continuation of proceedings.

(4) An order under this section shall not be made except after consultation with the Gas Council and any Area Board concerned.

Compensation to holders of securities.

Compensation to holders of securities.

25.—(1) Every holder of securities of any undertaker to whom this Part of this Act applies, not being an undertaker to whom section eighteen of this Act applies, shall be entitled to be compensated by the issue to him by the Gas Council, in accordance with the provisions of the Second Schedule to this Act, of British Gas Stock of such amount as in the opinion of the Treasury is at the vesting date of a value equal to the

value of the said securities held by him, regard being had (in estimating the value of the stock so issued) to the market value of government securities at or about the vesting date:

Provided that—

- (a) if the whole of the beneficial interest in any such securities was, immediately before the vesting date, vested in any undertaker to whom this Part of this Act applies, other than a composite company, an ancillary gas undertaker or an undertaker who is not a body corporate, no compensation shall be payable in respect of those securities and the securities shall be extinguished on the vesting date; and
- (b) if the holder of any such securities was such an undertaker as aforesaid, but the whole of the beneficial interest was not so vested, the stock issued as aforesaid in respect of those securities shall be held by the appropriate Board, and the said Schedule shall have effect as if the said Board were the holders of those securities.

(2) Where securities of any class were quoted in the Stock Exchange Official Daily List on all six of the following dates, that is to say, the thirteenth, fourteenth, fifteenth, sixteenth, seventeenth and twentieth days of October, nineteen hundred and forty-seven, and were also quoted in the said list or in the Stock Exchange Daily Supplementary List on any of the following dates, that is to say, the fifteenth day of February, the fifteenth day of March, the sixteenth day of April, the fifteenth day of May, the fifteenth day of June and the sixteenth day of July, nineteen hundred and forty-five, the value of securities of that class for the purposes of this section shall, subject to the provisions of this section and the next following section, be deemed to be either—

- (a) the average of the mean of the quotations for securities of that class appearing in the said Stock Exchange Official Daily List on the said dates in the year nineteen hundred and forty-seven, or
- (b) the average of the mean of the quotations for securities of that class appearing in the said Stock Exchange Official Daily List or the said Stock Exchange Daily Supplementary List on the said dates in the year nineteen hundred and forty-five on which a quotation therefor so appeared,

whichever is the higher, such addition, if any, being made to the higher average as is necessary to make it a complete multiple of one penny:

Provided that a quotation appearing in any of the said lists shall be disregarded for the purposes of this section unless

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business is recorded in that list as having been done at any time during the six months immediately before the date of that list.

(3) Where, in the case of any class of securities to which the last preceding subsection applies, there has been at any time after the last relevant quotation date a fresh issue of securities of that class, the value of every security of that class for the purposes of this section shall, instead of being determined under the last preceding subsection, be deemed to be the average of the values of all the securities of that class calculated on the basis that—

- (a) the value of each of the securities comprised in that issue is the price at which it was issued, and
- (b) the value of the remaining securities is the value which those securities had or would have had for the purposes of this section immediately before the issue took place.

(4) Where, at any time after the last relevant quotation date any securities to which subsection (2) or subsection (3) of this section applies have been converted into securities of a different nominal value—

- (a) the value of those securities as so converted shall, for the purposes of this section, be deemed to be a value bearing to the value which the securities had or would have had for the purposes of this section immediately before the conversion took place the same proportion as the nominal value of the securities as converted bears to the nominal value of the securities immediately before the conversion took place; and
- (b) the last preceding subsection shall apply to any fresh issue of securities which have been converted as aforesaid, but if a part only of a class of securities has been converted as aforesaid, the converted securities shall, for the purposes of the last preceding subsection, be treated as securities of a different class from that of the unconverted securities.

(5) Subject to the next following subsection, where a new class of securities has been issued at any time after the twentieth day of October, nineteen hundred and forty-seven, the value of securities of that class for the purposes of this section shall be deemed to be the price at which they were issued, and the last two preceding subsections shall apply to any fresh issue or conversion of securities of that class.

(6) Subsections (2), (3) and (5) of this section shall not apply to any securities issued at any time after the thirty-first day of December, nineteen hundred and forty-five, on

terms and conditions approved by the Minister and for the purpose of raising money for purposes so approved, and the value of any such securities for the purposes of this section shall be deemed to be the price at which they were issued, and subsection (4) of this section shall apply to any conversion of those securities.

(7) If securities to which either of the two last preceding subsections applies have been disposed of by public auction or tender, the price of issue of those securities shall for the purposes of this section be deemed—

- (a) if the holder of the securities is the person who originally acquired them or his successor in title other than a purchaser for value, to be the price which he originally paid for them;
- (b) in any other case, to be the average gross price obtained by the undertaker for securities of that class so disposed of.

(8) If all the securities of any issue were originally disposed of to a person who did not become the registered holder of those securities, the price of issue of each of those securities shall for the purposes of this section be deemed to be either—

- (a) the price paid for that security by the first registered holder thereof; or
- (b) the price received by the company for the security plus an amount equal to two and a half per cent. of that price;

whichever is the lower.

(9) If any question arises under any of the last seven preceding subsections as to the value of any securities, it shall be settled by agreement between the Minister and the stockholders' representative appointed under the following provisions of this Part of this Act, or, in default of such agreement, determined by arbitration under this Act.

(10) For the purposes of this section, the value of any securities, not being securities to which subsection (2), (3), (4), (5) or (6) of this section applies, shall be such value as may be agreed between the Minister and the said stockholders' representative or, in default of such agreement, as may be determined by arbitration under this Act, and the arbitration tribunal, in determining the value of those securities, shall have regard to all relevant factors including, as far as may be, the value of securities to which subsection (2) of this section applies (as determined under that subsection), being securities which, as respects all matters affecting their value, are most nearly comparable to the first mentioned securities, and if, in relation to any class of securities to which this

PART II.
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subsection applies, such a fresh issue or conversion of securities as is mentioned in subsection (3) or subsection (4) of this section has occurred, the arbitration tribunal shall also have regard, as far as may be, to the manner in which the value of securities is to be determined in cases to which the said subsection (3) or subsection (4) applies.

(11) In this section—

the expression “ the Stock Exchange Official Daily List ” means the publication known as the Stock Exchange Daily List of Officially Quoted Securities which is published by and under the authority of the Council of the Stock Exchange, London;

the expression “ the Stock Exchange Daily Supplementary List ” means the publication known as the Stock Exchange Daily Supplementary List of Securities not Officially Quoted which was published by and under the authority of the Council of the Stock Exchange, London;

the expression “ quotation ” has the same meaning as in the Stock Exchange Official Daily List or the Stock Exchange Daily Supplementary List, as the case may be, and, accordingly, does not include the statements of the business that was done;

the expression “ the mean of quotations ” means the average of the two figures shown in the Stock Exchange Official Daily List or the Stock Exchange Daily Supplementary List, as the case may be, on the date in question in respect of the security in question under the heading “ Quotations ” or “ Nominal Quotations ”;

the expression “ the last relevant quotation date ”, in relation to any securities to which subsection (2), (3) or (4) applies, means the last of the dates mentioned in the said subsection (2) on which a quotation for securities of that class appeared in either of the said lists, being a quotation by reference to which the value of securities of that class is determined for the purposes of this section.

(12) For the purposes of this section and the following provisions of this Part of this Act, securities to which the same rights attach shall be deemed to constitute a class of securities.

26.—(1) If it appears to the Minister, on representations made by the stockholders’ representative for any company, within the prescribed period, that—

(a) the total sales of gas by the company in the year nineteen hundred and forty-three or in either of the two succeeding years, as shown in the annual returns

Increase of value of securities of companies suffering loss of revenue from war causes.

furnished to the Board of Trade or, as the case may be, the Minister under section fifteen of the Gas Regulation Act, 1920 or section eleven of the Gas Undertakings Act, 1934, excluding sales to any other person carrying on a gas undertaking, were, by reason of any war damage (within the meaning of section two of the War Damage Act, 1943) suffered by the company or by reason of any transfer of population from any part of the area supplied by the company caused by circumstances arising out of the war, substantially lower than in the year nineteen hundred and thirty-eight; and

- (b) as a result, the quotations in the Stock Exchange Official Daily List or in the Stock Exchange Daily Supplementary List (as defined in the last preceding section) on the dates referred to in subsection (2) of the last preceding section for any class of securities of the company other than debentures, debenture stock and mortgages, were lower than they would otherwise have been,

the Minister shall direct that the values of those securities for the purposes of the last preceding section shall be increased by such amount as may be agreed between him and the stockholders' representative to be necessary to offset the said depreciation in the said quotations.

(2) If the Minister refuses, after representations have been made to him by a stockholders' representative, to give a direction under the preceding subsection, or if the Minister and a stockholders' representative are unable to agree on the amount of the increase to be made in the value of any securities, the stockholders' representative may refer the matter to the arbitration tribunal and the tribunal shall—

- (a) if, in a case where the Minister has refused to give a direction, they are satisfied with respect to the matters referred to in the preceding subsection, direct such increase as they think necessary to offset the depreciation aforesaid; or
- (b) in a case where the only question is as to the amount of the increase, fix that amount.

(3) On a reference under this section, the arbitration tribunal may, if they think it just to do so, having regard to the principles on which costs are awarded in the High Court, direct that, in the case of any securities to which the reference relates, the total compensation payable in respect thereof shall be reduced by an amount determined by the tribunal, not exceeding the costs incurred by all parties to the arbitration proceedings, and the amount of the reduction

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10 & 11 Geo. 5.
c. 28.24 & 25 Geo. 5.
c. 28.6 & 7 Geo. 6.
c. 21.

PART II.
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of the total compensation aforesaid shall be apportioned among such of the said securities in respect of which compensation is payable, and in such manner, as the tribunal may determine.

(4) Where the value of any securities falls to be determined under subsection (10) of the last preceding section and, if those securities had been quoted in the said Stock Exchange Official Daily List or in the said Stock Exchange Daily Supplementary List on the dates referred to in subsection (2) of that section, the value thereof would have been increased under this section, then, in determining their value under the said subsection (10), a corresponding increase shall be made in the value thereof.

(5) This section shall apply to a holding company, being an undertaker to whom this Part of this Act applies, with the modification that for the references in paragraph (a) of subsection (1) to the company there shall be substituted references to a subsidiary of the company, and where a reference is made under subsection (2) of this section in the case of a holding company and a subsidiary thereof, the proceedings shall be heard together.

Appointment
of stock-
holders'
representative.

27.—(1) In the case of any undertaker in respect of whose securities compensation is payable under the preceding provisions of this Part of this Act, there shall be appointed, before such date not later than the vesting date as may be prescribed, an individual, in this Act referred to as the "stockholders' representative", to represent the interests of all holders of securities of that undertaker in connection with the determination of the amount of compensation payable in respect of those securities or of any payment made after the vesting date of interest or dividend in respect of those securities, and any other matters arising under this Part of this Act affecting the interests of the holders of those securities, and it shall be the duty of the stockholders' representative, in carrying out his functions under this Part of this Act, to represent the interest of the holders of those securities.

(2) The stockholders' representative shall be appointed, in the prescribed manner, by the holders of the securities of the undertaker in question:

Provided that—

- (a) if those holders of securities fail to appoint a stockholders' representative before the prescribed date, the Minister shall appoint such a representative;
- (b) in the case of securities issued by any undertaker other than a company, the stockholders' representative shall be appointed by the Minister.

(3) The Minister shall pay out of moneys provided by Parliament to a stockholders' representative such remuneration (whether by way of salary or fees) and such allowances, and such expenses incurred by him in the exercise of his functions, as may be determined by the Minister with the approval of the Treasury, and any sums paid by the Minister under this subsection shall be repaid to him by the appropriate Board on demand.

(4) Regulations shall make provision—

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

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

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

Compensation to local authorities.

28.—(1) An Area Board in whom property and rights of a local authority are vested by virtue of this Act shall, by way of compensation for the vesting in them of the said property and rights, and in lieu of any other compensation therefor, make payments to the authority in accordance with this and the next following section.

Compensation
to local
authorities.

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(2) Where the local authority have raised a loan wholly or partly for the purposes of their gas undertaking or have advanced money for those purposes out of any consolidated loans fund or mortgage loans pool established by them or out of any other moneys held by them, and, in pursuance of the arrangements in force immediately before the vesting date for the redemption of the loan and the payment of interest thereon or, as the case may be, for the repayment of the advance and the payment of interest thereon, any amounts would, but for this Act, have fallen, on or after the vesting date, to be debited in the accounts of the gas undertaking of the local authority, the Area Board shall, subject to the provisions of this section, pay those amounts to the local authority at the times at which, but for this Act, those amounts would have fallen to be debited in the said accounts of the gas undertaking of the local authority, and, in calculating the amounts that would have fallen to be debited as aforesaid in respect of any loan, regard shall be had to the income earned by any sinking fund established for the redemption of the loan.

Any question arising under this subsection as to the payments to be made thereunder shall, in default of agreement, be determined by the Minister of Health.

(3) The arrangements referred to in the last preceding subsection shall be deemed to include arrangements in force immediately before the vesting date for defraying any management expenses incurred by the local authority in respect of any such loan or advance as aforesaid.

(4) Where a local authority have issued annuities by way of compensation for the acquisition of any gas undertaking, this section shall have effect as if those annuities had been issued for the purpose of raising a loan for the purposes of the gas undertaking of the authority, and any reference in this Act to any such loan or the redemption thereof or the payment of interest thereon shall be construed as including a reference to such annuities or the redemption or payment thereof:

Provided that nothing in subsection (2) of this section shall be taken as preventing the local authority from entering into an agreement with the holder of any such annuities for the redemption of those annuities, but any such agreement shall be subject to the consent of the Area Board concerned, and, if such an agreement is made with such consent, the said subsection (2) shall have effect subject to such modifications (if any) as may be agreed between the local authority and the Area Board or, in default of such agreement, determined by the Minister of Health to be necessary in consequence of the said agreement for the redemption of those annuities.

(5) Any payment made by an Area Board under the preceding provisions of this section in respect of the liability for the redemption of a loan or the repayment of an advance shall be deemed to be a capital payment, and any other such payment shall be deemed to be an annual payment.

29. There shall be paid to local authorities, by way of compensation in respect of the severance of their gas undertakings from their other activities, the sum of two million five hundred thousand pounds, and the said sum shall be divided among such of the said local authorities as satisfy the prescribed conditions, and the amounts to be paid to the individual authorities shall be determined in such manner and in accordance with such principles as may be prescribed, and the obligations to make such payments shall be allocated to the Area Boards accordingly.

Further compensation to local authorities in respect of severance.

Compensation to composite companies, ancillary gas undertakers, non-corporate undertakers and Electricity Boards.

30.—(1) Every composite company shall be entitled to be paid, by way of compensation for the vesting in an Area Board by virtue of this Act of property and rights of the company, and in lieu of any other compensation therefor, an amount calculated as follows:—

Compensation to composite companies.

- (a) the aggregate value of all the securities of the company shall be ascertained in accordance with sections twenty-five and twenty-six of this Act, subject to the modification that for any references in those sections to the stockholders' representative there shall be substituted references to the company;
- (b) there shall be ascertained the proportion which the average net revenue earned by the gas undertaking of the company in respect of the last three complete financial years before the first day of January, nineteen hundred and forty-eight, bears to the average net revenue earned in respect of those years by the company's undertaking as a whole;
- (c) the amount of the compensation shall be the aggregate of the following amounts—
 - (i) an amount bearing to the aggregate value of the said securities the same proportion as the said average net revenue of the gas undertaking bears to the said average net revenue of the company's undertaking as a whole, and

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c. 28.

(ii) an amount, by way of compensation in respect of the severance of the gas undertaking from the remainder of the company's undertaking, consisting of a sum of three pounds and ten shillings for each complete one thousand of the therms which, in accordance with the annual return made by the company under section fifteen of the Gas Regulation Act, 1920, were sold by the company during the year nineteen hundred and forty-seven.

(2) Any question arising under paragraph (b) of the last preceding subsection shall, in default of agreement between the company and the Minister, be determined by arbitration under this Act.

(3) The right of a composite company to compensation under this section shall be satisfied by the issue to the company by the Gas Council of British Gas Stock of such amount as in the opinion of the Treasury is at the vesting date of a value equal to the amount calculated under subsection (1) of this section, regard being had (in estimating the value of the stock so issued) to the market value of government securities at or about the vesting date.

(4) If, in the case of any composite company, the amount of compensation payable to the company under this section has been determined before the vesting date, the British Gas Stock to be issued in respect thereof shall be issued on that date, and in any other case the British Gas Stock shall be issued as soon as the amount of that compensation has been determined.

(5) Interest on any stock so issued after the vesting date shall begin to accrue as from the vesting date, and the Gas Council shall, on such dates as the Minister may direct, make to the company payments of interest not exceeding the amount which, in the opinion of the Gas Council, will be found to have accrued on the British Gas Stock ultimately issued in satisfaction of the compensation.

If the amounts paid to any company by the Gas Council under this subsection are equal to or greater than the amount of interest which is found to have accrued on the said stock for the period beginning with the vesting date and ending immediately before the date of the issue of the stock, the interest so found to have accrued shall be treated as discharged, and if the amount paid as aforesaid is less than the amount found to have accrued as aforesaid, the amount so found to have accrued shall be treated as discharged to the extent of the amount so paid, and the balance shall be added to and treated as part of the interest (being interest accruing

on and after the issue of the stock) which first falls to be paid after the issue of that stock.

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(6) Regulations may provide—

(a) for conferring a right on the holder of any debentures or debenture stock of a composite company, or on the company, by notice given within the prescribed period to the other party, to require the transfer to the holder of such amount of the British Gas Stock issued to the company under this section as is attributable to the value of the said securities held by him, and for the cancellation of those securities to a proportionate extent;

(b) for enabling a composite company, notwithstanding anything in any enactment, by agreement with the holder of any debentures or debenture stock of the company, to redeem them by means of the transfer to the holder of such amount of British Gas Stock issued to the company under this section as may be agreed with the holder; and

(c) for the protection of mortgagees and encumbrancers in cases where the debt secured by the mortgage or encumbrance does not vest in an Area Board or is apportioned as between an Area Board and the company, and the debt or, as the case may be, the part thereof not apportioned to the Area Board was, immediately before the vesting date, secured on property which vests in the Board.

(7) A composite company, notwithstanding any limitation imposed by any enactment on their powers of investment, may hold any British Gas Stock issued to them under this section, and, for the purposes of any enactment limiting the amount of investments that may be held by the company, any such stock shall be disregarded, and the company may sell any such stock and apply the proceeds of sale for any purpose for which they are authorised to apply capital moneys.

31.—(1) There shall be paid by the Area Board in whom are vested by virtue of this Act property and rights of any ancillary gas undertaker or any undertaker to whom this Part of this Act applies who is not a body corporate, by way of compensation for the vesting of that property and those rights of the undertaker and in lieu of any other compensation therefor, such amount as the gas undertaking of the undertaker might have been expected to realise if—

Compensation to ancillary gas undertakers and non-corporate undertakers.

(a) it had been sold as a going concern on the vesting date in the open market by a willing seller to a willing buyer;

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—cont.

- (b) the effect of the sale had been to transfer to the buyer the property, rights, liabilities and obligations which vest by virtue of this Act in the Area Board, except any property, rights, liabilities or obligations which so vest on terms agreed or determined in accordance with regulations; and
- (c) this Act had not been passed.

(2) Any question as to the amount of compensation to be paid by an Area Board under this section shall, in default of agreement between the Board and the undertaker, be determined by arbitration under this Act.

(3) Regulations may provide for the protection of mortgagees and encumbrancers in cases where the debt secured by the mortgage or encumbrance does not vest in an Area Board or is apportioned as between an Area Board and the undertaker, and the debt or, as the case may be, the part thereof not apportioned to the Area Board was, immediately before the vesting date, secured on property which vests in the Board.

Compensation
to Electricity
Boards.

10 & 11 Geo. 6.
c. 54.

32. There shall be paid to the British Electricity Authority by the Area Board in whom any property and rights of an Electricity Board vest by virtue of this Act such compensation as may be agreed between the said Authority and the said Area Board or, in default of such agreement, be determined by the Minister, having regard to the amount of compensation paid by the said Authority under the Electricity Act, 1947, in respect of the vesting in an Electricity Board of any such property and rights.

Control of dividends and interest and safeguarding of assets pending transfer.

Control of
dividends,
interest
and other
payments.

33.—(1) Where any company, being an undertaker to whom this Part of this Act applies but not an ancillary gas undertaker, have paid pursuant to a resolution passed after the twenty-third day of January, nineteen hundred and forty-eight, interest or a dividend on any of their securities in respect of the last complete financial year before the said day or any subsequent period, being payments which, regard being had to any interest or interim dividend paid before the said day in respect of that year or period, are in excess of the payments of interest or dividend permitted under this section, all persons who were directors of the company at the time when the resolution of the directors was passed authorising or recommending the payments shall, subject to the provisions of this section, be liable to pay to the appropriate Board an amount equal to the total amount of the excess:

Provided that this subsection shall not apply to any payment approved by the Minister, whether before or after the

making of the payment, being a payment made in pursuance of a recommendation of the directors of the company made on or before the said twenty-third day of January, nineteen hundred and forty-eight.

(2) The payments of interest or dividend permitted under this section are as follows:—

- (a) in the case of securities in respect of which rates of interest are fixed, payments at those rates;
- (b) in the case of preference stock, payments at the preferential rates; or
- (c) in the case of any other class of securities, payments of dividend at a rate not exceeding four per cent. per annum or the rate, calculated as a rate per annum, paid on that class of securities in respect of the last complete financial year in respect of which a final dividend was paid before the said twenty-third day of January, nineteen hundred and forty-eight, whichever is the higher:

Provided that—

- (i) where any local enactment applicable to any such company provides for regulating dividends payable by the company by reference to a basic price or standard price and the relationship thereto of the prices charged, or the highest price charged, by the company for gas supplied by the company, paragraph (c) hereof shall not apply to that company and, in the case of any securities of a class mentioned in that paragraph, the payments of dividend that the company is entitled to make apart from this Act shall be deemed to be the payments of dividend permitted under this section, and if the company has made, at any time after the said day and before the nineteenth day of July, nineteen hundred and forty-eight, any payments of dividend which were less than the payments aforesaid, the amount of the deficiency may, notwithstanding any local enactment, be declared and paid by way of dividend at any time before the vesting date;
- (ii) where any local enactment applicable to any such company, other than such an enactment as aforesaid, restricts the dividends payable by the company in respect of the last complete financial year before the said day or any subsequent period to amounts less than the payments permitted under paragraph (c) hereof, those amounts shall be deemed to be the payments of dividend permitted under this section in respect of that year or period in the case

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- of any securities of the company of a class mentioned in that paragraph;
- (iii) the payments permitted under this section shall only be made out of the net revenue of the company for the period in respect of which the payment is made, or out of any funds applicable in accordance with the normal practice for the purpose of maintaining interest payments and equalising rates of dividend, and any payment shall, so far as it is made otherwise than out of that revenue, or out of those funds, not be permitted under this section;
 - (iv) where a fresh issue has been made after the said day of securities of a class mentioned in paragraph (c) hereof, being a class on which the annual rate of dividend paid in respect of the said last complete financial year exceeded four per cent. per annum, the payments of dividend permitted under this section on the securities so issued shall not, except with the approval of the Minister, exceed a rate of four per cent. per annum; and
 - (v) in the case of any securities of a class mentioned in paragraph (c) hereof, being a class on which a final dividend was never paid before the said day, the Minister may approve a rate exceeding four per cent. as the rate at which payments of dividend are permitted under this section.

(3) Where any such company as aforesaid have, without the approval of the Minister, paid after the twenty-third day of January, nineteen hundred and forty-eight, a dividend in respect of any period prior to the last complete financial year before the said day, all persons who were directors of the company at the time when the resolution of the directors was passed authorising or recommending the payments shall, subject to the provisions of this section, be liable to pay to the appropriate Board an amount equal to the total amounts of the payments:

Provided that this subsection shall not apply to payments of dividend on cumulative preference stock, being payments which are required to be made in priority to the payment of any dividend on ordinary capital and are made out of the net revenue of the company for the said last complete financial year or any subsequent period.

(4) Where, at any time after the twenty-third day of January, nineteen hundred and forty-eight, any such company as aforesaid have, without the approval of the Minister,—

- (a) made any payments to their members for the purpose of reducing the share capital of the company

otherwise than by redemption of any redeemable preference stock;

(b) made any other payments to their members out of capital moneys; or

(c) distributed assets other than money to their members,

all persons who were directors of the company at the time when the resolution of the directors was passed authorising or recommending the payments or distribution shall, subject to the provisions of this section, be liable to pay to the appropriate Board an amount equal to the total amount of the payments or, as the case may be, the total value of the assets distributed:

Provided that this subsection shall not apply to any such payment or distribution to any such member otherwise than in his capacity as a member.

(5) Where, at any time after the said day, any such company as aforesaid have redeemed any securities which the company were not under an obligation to redeem before the vesting date, or made payments in respect of the redemption of any securities which exceed the minimum payments required to satisfy the rights existing on the said day of the holders of the securities, all persons who were directors of the company at the time when the resolution of the directors authorising or recommending the redemption or the payments in respect thereof was passed shall, subject to the provisions of this section, be liable to pay to the appropriate Board—

(a) in the case of securities which the company were not obliged to redeem, the amount (if any) by which the sums paid in respect of the redemption of those securities exceed the compensation which would have been payable under this Part of this Act (but for the redemption) to the holders of those securities; or

(b) in the case of securities which the company were obliged to redeem but for which the payments made exceeded the said minimum payments, an amount equal to the total amount of the excess.

(6) For the purposes of this section—

(a) any payment by a company to its members in their capacity as members out of the net revenue of the company shall be deemed to be a payment of dividend; and

(b) any transaction the effect of which is that assets of a company are transferred to any person otherwise than in the capacity of a member of the company,

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—cont.

and the consideration for such transfer is given to the members of the company or any class thereof, shall be deemed to be a distribution of those assets to the members of the company or that class thereof.

(7) Any claim under this section by the appropriate Board against the directors of any such company as aforesaid shall be made before the expiration of a period of twelve months beginning with the vesting date, and if so made and not settled by agreement, shall be determined by arbitration under this Act, and, if the arbitration tribunal decide the claim in favour of the appropriate Board, the tribunal shall make such orders against all or any of the said directors in respect of their liability on the claim as the tribunal think just, having regard to all the circumstances.

(8) References in this section to any payments of interest or dividend made or permitted to be made by any company shall be construed as references to the gross amounts of those payments, that is to say, to the amounts thereof before any deduction is made therefrom in respect of income tax, and, if any such payment has been made by a company without deduction of income tax, the amount paid shall be deemed for the purposes of this section to be a net amount paid after deduction of income tax, and the gross amount of that payment for the purposes of this section shall be calculated accordingly:

Provided that, in determining the amount recoverable under this section from the directors of any company in respect of payments of interest or dividend made by that company, there shall be deducted from the amount which would, but for this proviso, be so recoverable a sum equal to the income tax chargeable on that amount at the standard rate for the year in which the payments became due.

(9) This section shall, in relation to any composite company, have effect subject to the following modifications:—

- (a) subsections (1), (3), (4) and (5) shall only apply to payments and distributions made, and redemptions carried out, before the vesting date;
- (b) any liabilities arising under this section shall be liabilities of the company and not of the directors; and
- (c) any such liability shall be reduced by applying thereto the proportion ascertained under paragraph (b) of subsection (1) of section thirty of this Act.

Final payment
of dividends
and interest.

34.—(1) As soon as possible after the vesting date, there shall, in the case of any undertaker to whom this Part of this Act applies other than an undertaker to whom section eighteen

of this Act applies, be ascertained and certified by an auditor appointed by the President of the Institute of Chartered Accountants in England and Wales after consultation with the appropriate Board and the stockholders' representative—

- (a) the net revenue of the undertaker for the final financial period;
- (b) the total gross amounts paid by the undertaker by way of interest or interim dividend on any securities in respect of the final financial period; and
- (c) the amount (if any) by which the said net revenue exceeds the said total amounts;

and the appropriate Board shall pay to the stockholders' representative the amount referred to in paragraph (c) hereof.

There shall be paid to the auditor out of moneys provided by Parliament such remuneration (whether by way of salary or fees) and such allowances as the Minister may, with the approval of the Treasury, determine, and the amount of the remuneration and allowances shall be repaid to the Minister by the appropriate Board on demand.

(2) The appropriate Board, if they think fit, may, before the auditor's certificate is given, make payments to the stockholders' representative on account.

(3) The stockholders' representative shall apply the sums paid to him under the preceding provisions of this section (so far as they will go) for the following purposes and in the following order of priority:—

- (a) in making interest payments on any debentures or debenture stock of the undertaker, which have accrued up to the vesting date and have not been paid, at the rates permitted under the last preceding section;
- (b) in making such a distribution as is mentioned in the next following subsection to the holders of other securities, if any, of the undertaker; and
- (c) in repaying the balance, if any, to the appropriate Board.

(4) The distribution falling to be made under paragraph (b) of the last preceding subsection shall be a distribution under which the holders of the securities there referred to become entitled to the same gross amounts as they would have become entitled to if—

- (a) the statutory or other provisions relating to the undertaker had permitted payments of interest or dividend in respect of the final financial period;

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—cont.

- (b) the undertaker had had available for distribution the sums paid to the stockholders' representative under this section less the amount applied in making the payments mentioned in paragraph (a) of the last preceding subsection; and
- (c) the undertaker had applied the amount so available for distribution, or so much thereof as was required for the purpose, in making payments of interest or dividend for the final financial period, at the rates permitted under the last preceding section, to the holders of the securities in question, in the proper order of priority, and according to their respective rights, due regard being had to any interest or interim dividend already paid in respect of the final financial period and all necessary adjustments being made where the said period is not a period for which interest or dividend would be payable under the statutory or other provisions relating to those securities:

Provided that the amounts to which the holders would have become entitled by way of interest or dividend for the final financial period in the event contemplated by paragraph (c) of this subsection shall be computed as if the amounts deducted in respect of income tax from the payments mentioned in paragraph (a) of the last preceding subsection and from any payments made under paragraph (b) of that subsection in respect of any securities were not available for paying any other interest or dividend.

(5) Where the sums paid to the stockholders' representative under the preceding provisions of this section are insufficient to enable him—

- (a) to make the interest payments referred to in paragraph (a) of subsection (3) of this section at the maximum rates permitted under the last preceding section; and
- (b) to distribute to the holders of the securities referred to in paragraph (b) of that subsection gross amounts equal to payments of interest or dividend on those securities at the maximum rates so permitted,

and the undertaker possessed immediately before the vesting date funds applicable in accordance with the normal practice for the purpose of maintaining payments of interest and equalising rates of dividend, the appropriate Board shall pay to the stockholders' representative an additional amount equal to the total amount of the said funds so possessed or to the total amount of the said deficiency, whichever is the less, and the stockholders' representative shall apply that amount in like manner as the other sums paid to him under this section.

(6) The persons who receive any payment made by a stockholders' representative under the preceding provisions of this section, shall, subject to the provisions of the next following subsection, hold the payment in the same right and on the same trusts and subject to the same powers, privileges, charges and liabilities as those in, on, or subject to which any payment of interest or dividend in respect of the securities in question would have been held by them.

(7) Where any undertaker to whom this Part of this Act applies, other than an ancillary gas undertaker or an undertaker who is not a body corporate, was the holder of, or had any interest in, any securities of an undertaker in respect of whose securities payments are made under this section, the appropriate Board (in relation to the first-mentioned undertaker) shall have the like right to receive and hold, or benefit from, a payment under paragraph (a) or paragraph (b) of subsection (3) of this section as they would have had if they had been the holder of, or had had that interest in, those securities:

Provided that, except where the undertaker by whom the securities or interest therein were or was held is an undertaker to whom section eighteen of this Act applies, the gross amounts of any such payments or of the benefit therefrom shall be included in the net revenue of the undertaker for the final financial period for the purposes of this section.

(8) Where, before the vesting date, there became due from any undertaker to whom this Part of this Act applies, other than an undertaker to whom section eighteen of this Act applies, any payment by way of interest or dividend or any payment by way of a redemption of any security, and, by reason only that it was not possible to discover the person entitled thereto, or that the title to the payment had not been established, or that a cheque or warrant issued for the purpose of effecting the payment had not been encashed, that payment was not made before the vesting date, the liability in respect of that payment shall pass to the appropriate Board.

(9) Where the stockholders' representative is for any reason unable to effect payment of any sum falling to be paid by him under this section, or where a receipt cannot effectively be given for any such sum, the stockholders' representative may pay that sum to the appropriate Board and, on the said sum being so paid, the liability of the stockholders' representative for the payment of that sum shall pass to the appropriate Board.

(10) The following provisions shall have effect in the case of a composite company, that is to say:—

(a) there shall be ascertained and certified as soon as possible after the vesting date by an auditor appointed by the Minister, after consultation with the

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—*cont.*

appropriate Board, the net revenue of the company for the final financial period;

- (b) there shall be ascertained and certified by the said auditor as soon as possible after the vesting date the amount required to enable the company to make payments of interest or dividend in respect of the final financial period on all their securities at the full rates permitted under the last preceding section, assuming that the statutory or other provisions relating to the company permitted payments of interest or dividend in respect of that period and due regard being had to any interest or interim dividend already paid in respect of that period; and
- (c) the said net revenue shall not, except to the extent (if any) to which it exceeds the amount ascertained and certified under paragraph (b) hereof, be subject to apportionment as between the company and the appropriate Board concerned under the provisions of section eighteen of this Act relating to the apportionment of the cash and investments of composite companies.

There shall be paid to the auditor out of moneys provided by Parliament such remuneration (whether by way of salary or fees) and such allowances as the Minister may with the approval of the Treasury determine, and the amount of the remuneration and allowances shall be repaid to the Minister by the appropriate Board on demand.

(II) In this section the expression "final financial period" means such part of the financial year of the undertaker during which the vesting date occurs as precedes that date:

Provided that, where any undertaker has not made the payments of interest or dividends permitted under section thirty-three of this Act in respect of the last complete financial year before the vesting date, or has not made those payments in respect of either that year or the immediately preceding financial year, being a year ending after the first day of January, nineteen hundred and forty-eight, the said expression means that year or, as the case may be, those years together with such part of the financial year during which the vesting date occurs as precedes the vesting date.

Income tax provisions.

35.—(I) This section shall be construed as one with the Income Tax Acts.

(2) The gross amounts of any payments made by a stockholders' representative under the last preceding section shall be deemed to be income for all the purposes of the Income Tax

Acts, and the stockholders' representative making the payments shall deduct income tax therefrom at the standard rate for the year in which the payments become due and any amounts so deducted shall, notwithstanding anything in the Income Tax Acts, be paid over to the appropriate Board for their own use and benefit.

(3) If—

- (a) the payments of any interest of money, annuity or other annual payment charged with tax under Schedule D made by an undertaker to whom this Part of this Act applies, other than an undertaker to whom section eighteen of this Act applies, in the year or years of assessment falling wholly or partly within the final financial period as defined by the last preceding section; plus
- (b) any payments made by the stockholders' representative to the holders of securities of the undertaker under the last preceding section being securities bearing interest,

together exceed—

- (i) the total income of the undertaker for the said year or years; plus
- (ii) the total of the assessments made for the said year or years under Rule 21 of the General Rules in respect of payments by the undertaker,

the said Rule 21 shall have effect as if a payment of a gross amount equal to the excess had been made by the appropriate Board, as if that payment were a payment of interest of money charged with tax under Schedule D not payable out of profits or gains brought into charge to tax and as if the appropriate Board had deducted tax at the appropriate rates in making that payment:

Provided that, in calculating whether there is such an excess as aforesaid or the extent thereof, any payment which has been reimbursed to the undertaker by any person or is charged to capital shall be disregarded, but the said Rule 21 shall have the like effect in relation to the whole of any such payment as it has effect, or would have effect, under this subsection in relation to such an excess as aforesaid.

In this subsection, the expression "the appropriate rates" means the rates which were applied in making deductions of income tax from the payments referred to in paragraph (b) of this subsection, the lowest rate being taken first and applied to an amount of the excess equal to the amount to which it was applied as aforesaid, and then so with the next lowest rate, and so on.

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—cont.

(4) Any reference in this section or in the last preceding section to the gross amount of any payment shall be construed as a reference to the amount of that payment before any deduction is made therefrom in respect of income tax.

Re-opening of transactions resulting in dissipation of assets.

36.—(1) This section shall apply in any case where on or after the twenty-third day of January, nineteen hundred and forty-eight, any company, being an undertaker to whom this Part of this Act applies and not being an ancillary gas undertaker, have—

- (a) made any payment to any person without consideration or for an inadequate consideration;
- (b) sold or disposed of any of its property or rights without consideration or for an inadequate consideration;
- (c) acquired any property or rights for an excessive consideration;
- (d) entered into or varied any agreement so as to require an excessive consideration to be paid or given by the company; or
- (e) entered into any other transaction of such an onerous nature as to cause a loss to or impose a liability on the company substantially exceeding any benefit accruing to the company,

and the payment, sale, disposal, acquisition, agreement or variation thereof, or other transaction was not reasonably necessary for the purposes of the company or was made with an unreasonable lack of prudence on the part of the company:

Provided that this section shall not apply—

- (i) to any payment or other transaction to which section thirty-three of this Act applies;
- (ii) to any payment or other transaction made or entered into for any charitable purpose;
- (iii) to any payment or other transaction made or entered into in connection with the determination of any question, dispute or matter falling to be determined under any provision of this Part of this Act or any regulations made thereunder; or
- (iv) to any payment or other transaction which has been approved in writing by the Minister, either generally or specially, and whether before or after the date of the payment or other transaction.

(2) The appropriate Board may, at any time before the expiration of a period of twelve months beginning with the vesting date, make an application to the arbitration tribunal

in respect of any transaction to which in the opinion of the Board this section applies, and all parties to the transaction, and all persons who were directors of the company at the date when the transaction was entered into shall, unless the tribunal otherwise direct, be made parties to the application.

(3) Where the arbitration tribunal are satisfied that the transaction in respect of which an application is made is a transaction to which this section applies, then, unless they are also satisfied that the transaction was in the ordinary course of business and was in no way connected with any provision made by this Act or with any anticipation of the making of any such provision, the tribunal shall determine the extent of the net loss or liability caused to or imposed on the company by the transaction, and shall make such orders against all or any of the parties to the application (other than the appropriate Board) as the tribunal think just, having regard to the extent to which the parties were respectively responsible for the transaction or benefited from it, for the payment by them to the appropriate Board of sums sufficient to enable the net loss or liability, or such part thereof as the tribunal think just, to be made good or met.

(4) Where the appropriate Board have disclaimed an agreement or lease by a notice under this Part of this Act, being an agreement or lease entered into or varied on or after the twenty-third day of January, nineteen hundred and forty-eight, the Board may make an application to the arbitration tribunal under this section in respect of any loss or liability caused to or imposed on the company before the vesting date and, in the case of a lease, any loss or liability caused to or imposed on the Board between the vesting date and the disclaimer of the lease, in consequence of the onerous nature of the agreement or lease.

(5) Where any application is made to the arbitration tribunal under this section in respect of any transaction, or a reference is made to that tribunal with respect to any notice given under this Part of this Act disclaiming an agreement or lease, the tribunal shall have exclusive jurisdiction—

- (a) to determine claims arising in respect of the transaction or under the lease or agreement; and
- (b) if the notice disclaiming any such agreement is confirmed by the tribunal, to determine any claims arising with respect to the agreement under the Law Reform (Frustrated Contracts) Act, 1943.

(6) In the case of a composite company, the company, and not the directors, shall be made parties to applications under this section.

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Recovery of sums transferred from accounts of gas undertaking of a local authority to other accounts.

37.—(1) Where at any time after the tenth day of February, nineteen hundred and forty-eight, a local authority have, without the approval of the Minister of Health, debited any amount in the accounts of the gas undertaking of the authority and credited that amount in any other account of the authority, the local authority shall be liable to pay that amount to the appropriate Board, except in so far as it is properly so debited and credited by way of an adjustment of the accounts of the authority in respect of any transaction carried out or service provided partly for the purposes of the gas undertaking and partly for other purposes.

(2) Any claim under this section by the appropriate Board against the local authority shall be made before the expiration of a period of twelve months beginning with the vesting date, and if so made and not settled by agreement, shall be determined by the Minister of Health.

Provisions as to foreign investments.

38.—(1) It shall not be lawful for any company, being an undertaker to whom this Part of this Act applies and not being an ancillary gas undertaker, to acquire any foreign investments except with the approval of the Minister.

(2) Every such company shall, within such period as may be prescribed, supply to the Minister and the appropriate Board particulars in the prescribed form of all foreign investments of the company, and shall dispose of those investments in such manner and within such period as may be prescribed.

(3) If any such company contravene or fail to comply with the provisions of this section or any regulation made thereunder, all persons who were directors of the company at the time when the contravention or failure occurred shall, subject to the next following subsection, be liable to make good any loss suffered by the appropriate Board in consequence of the contravention or failure.

(4) Any claim under this section by the appropriate Board against the directors of any such company shall be made before the expiration of a period of twelve months beginning with the vesting date and shall be determined by arbitration under this Act, and all persons who were directors of the company at the time when the alleged contravention or failure occurred shall, unless the arbitration tribunal otherwise direct, be made parties to the proceedings, and, if the arbitration tribunal decide the claim in favour of the appropriate Board, the tribunal shall make such orders against all or any of the said directors in respect of their liability under this section as the tribunal think just, having regard to all the circumstances.

(5) In this section the expression "foreign investments" means any assets the transfer of which is governed otherwise than by the law of any part of Great Britain.

(6) If it appears to the Minister to be necessary or expedient, for the purpose of securing the disposal of foreign investments of any company under this section, to postpone the vesting date in relation to that company, he may direct that the vesting date for the purposes of this Act shall, in relation to that company, be such date, later than the date which would otherwise be appointed or fixed, as may be specified in the direction.

Supplemental.

39.—(1) Regulations may require any person who is or may be an undertaker to whom this Part of this Act applies to produce such books of account, records and documents, to supply copies of and extracts from such books, records and documents, and to furnish such other information as may reasonably be required—

- Power to obtain information.
- (a) by the Minister for the purpose of ascertaining whether or not the person is an undertaker to whom this Part of this Act applies or in what category of undertaker he is included;
 - (b) by any Area Board or by the Gas Council for the purpose of facilitating the taking over of the business of the person by them on the vesting date; or
 - (c) by the Minister or by any Area Board or by the Gas Council for other purposes arising out of the provisions of this Part of this Act,

and to provide facilities for the examination of any such books, records and documents, and the taking of copies thereof and extracts therefrom, and facilities for the verification of other information furnished under the regulations; and such regulations may make provision as to the manner, time and place in or at which any requirement under the regulations is to be complied with.

(2) Regulations made under this section shall make provision for the payment to any such person of expenses reasonably incurred by him in complying with any requirements made by or under the regulations.

(3) Regulations shall require the Area Board concerned or, as the case may be, the Gas Council to produce such books of account, records and documents as may reasonably be required—

- (a) by any person who is a party to any agreement or lease disclaimed by the Board or Council, for the purpose of deciding whether to refer to arbitration under this Act any question arising with respect to that agreement or

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lease under section twenty-two of this Act, or for the purpose of preparing his case on any such reference ; or

- (b) by any person who is a party to any claim or application by the Board or Council under section thirty-three, section thirty-six or thirty-eight of this Act, for the purpose of preparing his case in connection with that claim or application ;

and to provide facilities for the examination of any such books, records and documents, and the taking of copies thereof and extracts therefrom ; and the regulations may provide, in cases where any material documents remain after the vesting date in the possession of an undertaker to whom section eighteen of this Act applies or come into the possession of any person to whom property which vests by virtue of this Act has subsequently been transferred, for extending the requirements aforesaid to that undertaker or person.

(4) The Area Board in whom property, rights, liabilities and obligations of any undertaker to whom section eighteen of this Act applies vest by virtue of this Act shall make available to the undertaker such facilities for the examination of, and making of extracts from or copies of, books, records and documents relating to the gas undertaking of the undertaker as he may reasonably require for the purposes of any arbitration proceedings under that section or for purposes arising out of the carrying on of the business of the undertaker, and such services of officers of the Board as the undertaker may reasonably require to enable him to make use of those facilities.

Modification
of enactments
in relation to
undertakers
pending
transfer.

40.—(1) Notwithstanding anything in section one hundred and forty-nine of the Companies Act, 1948, and the Eighth Schedule to that Act, the accounts to be laid before a company in general meeting may, in the case of an undertaker to whom this Part of this Act but not section eighteen thereof applies, be in the same form as the last accounts of the company so laid before the first day of July, nineteen hundred and forty-eight.

(2) Section one hundred and fifty of the Companies Act, 1948 (which requires that, in the case of a company having subsidiaries at the end of its financial year, group accounts within the meaning of that section shall be laid before the company) shall not apply in the case of an undertaker to whom this Part of this Act but not section eighteen thereof applies; and the group accounts of a holding company, not being an undertaker to whom this Part of this Act applies, need not deal with a subsidiary which is an undertaker to whom this Part of this Act but not section eighteen thereof applies.

(3) The Minister may by order provide for the modification of any local enactment which—

- (a) requires the number of directors of any company, being an undertaker to whom this Part of this Act applies, to be not less than a specified number;
- (b) specifies the number of directors of any such company required to constitute a quorum; or
- (c) requires a director of any such company to hold securities of the company.

PART III.

FINANCIAL PROVISIONS.

41.—(1) It shall be the duty of each Area Board so to exercise and perform their functions under this Act as to secure that the revenues of the Board are not less than sufficient to meet their outgoings properly chargeable to revenue account, taking one year with another; and, if and so long as they exercise their powers to manufacture plant, gas fittings or coke fittings, they shall so exercise those powers as to secure that the revenues arising from such exercise are not less than sufficient to meet their outgoings in respect thereof properly chargeable to revenue account, taking one year with another.

Revenues of Area Boards and Gas Council to be sufficient to meet outgoings.

(2) Each Area Board shall, at such times as the Gas Council may direct, furnish to the Gas Council for their information periodical estimates of the Board's revenue and expenditure.

(3) The Gas Council, if and so long as they exercise their powers to manufacture plant, gas fittings or coke fittings, shall so exercise those powers as to secure that the revenues arising from such exercise are not less than sufficient to meet their outgoings in respect thereof properly chargeable to revenue account, taking one year with another.

42.—(1) Each Area Board and the Gas Council may, with the consent of the Minister and with the approval of the Treasury or in accordance with the terms of any general authority issued by the Minister with the approval of the Treasury, borrow temporarily, by way of overdraft or otherwise, such sums as the Board or Council, as the case may be, may require for meeting their obligations or discharging their functions under this Act.

Borrowing powers of Area Boards and Gas Council.

(2) The Gas Council may, with the consent of the Minister and the approval of the Treasury, borrow money by the issue

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—cont.

of British Gas Stock, for all or any of the following purposes, that is to say—

- (a) the redemption of any British Gas Stock;
- (b) the provision of money for meeting any expenditure incurred by any Area Board or by the Gas Council in connection with any works the cost of which is properly chargeable to capital account;
- (c) the provision of any working capital required by any Area Board or by the Gas Council;
- (d) the provision of money required for the payment of compensation by Area Boards under this Act, except payments to local authorities in respect of loans and advances;
- (e) any other purpose for which capital moneys are properly applicable by any Area Board or the Gas Council, including the repayment of any money temporarily borrowed under the last preceding subsection for any of the purposes mentioned in this subsection; and
- (f) any other payment which any Area Board or the Gas Council are authorised to make and which ought in the opinion of the Gas Council to be spread over a term of years.

(3) The aggregate of the amounts outstanding in respect of the principal of any stock issued by the Gas Council, otherwise than for the purpose of paying compensation under Part II of this Act whether in stock or in cash, and in respect of any temporary loans raised by the Gas Council or any Area Board, shall not at any time exceed the sum of two hundred and fifty million pounds:

Provided that nothing in this subsection shall prevent the Gas Council from borrowing in excess of the said sum for the purpose of redeeming any British Gas Stock which they are required or entitled to redeem, or of repaying any money temporarily borrowed under subsection (1) of this section.

(4) Save as aforesaid, neither an Area Board nor the Gas Council shall borrow any money.

British Gas
Stock.

43.—(1) The Gas Council—

- (a) may create and issue any stock required for the purpose of exercising their powers under the last preceding section;

(b) shall create and issue such stock as is required for the purpose of satisfying any right to compensation which, under any provision of this Act, is expressly required to be satisfied by the issue of stock;

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—cont.

and the stock so created and issued is in this Act referred to as "British Gas Stock".

(2) Subject to the provisions of this section and of the Second Schedule to this Act, British Gas Stock shall be issued, transferred, dealt with and redeemed upon such terms and in accordance with such provisions as may be prescribed by regulations made by the Minister with the approval of the Treasury, and any such regulations may, in relation to any such stock, apply with or without modifications any provisions of the Local Loans Act, 1875, or of any enactments relating to stock issued by a local authority.

38 & 39 Vict.
c. 83.

(3) Any British Gas Stock in which no person other than an Area Board or the Gas Council has any beneficial interest shall be cancelled.

(4) If any British Gas Stock has through inadvertence been issued in respect of securities the whole of the beneficial interest in which was vested immediately before the vesting date in an undertaker to whom Part II of this Act applies, not being an undertaker to whom section eighteen of this Act applies, the stock shall be deemed to be held on behalf of the Gas Council.

44.—(1) Each Area Board shall submit to the Gas Council, at such times as the Gas Council may direct, periodical estimates of the sums that they will require to be provided by means of borrowing by the issue of British Gas Stock, and shall furnish therewith such information as the Gas Council may require as to the purposes for which those sums will be required, and the Gas Council shall not proceed to exercise their powers of borrowing for the purpose of defraying expenditure incurred by an Area Board in carrying out reorganization or development unless the Council are satisfied that the reorganization or development will be in accordance with the general programme settled by the Board with the approval of the Minister under Part I of this Act.

Estimates of
Area Boards'
requirements
and allocation
to them of
liabilities in
respect of
stock.

(2) Where the Gas Council issue British Gas Stock for the purpose of satisfying rights to compensation or borrow money by the issue of British Gas Stock, they shall determine, in accordance with a scheme from time to time settled by the Council with the Minister after giving to each Area Board an opportunity to make representations thereon to him, the

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—cont.

shares in which the ultimate responsibility for meeting obligations in respect of that issue of stock is to be borne, and the scheme shall provide—

- (a) for allocating to the Area Boards responsibility in respect of any stock issued for the purpose of satisfying rights to compensation, having regard to the extent to which the assets in respect of which the compensation is payable vest by virtue of this Act in, or are subsequently transferred to, the respective Boards;
- (b) for allocating to the Gas Council responsibility in respect of stock issued for the provision of money required by the Council for the exercise and performance of their functions, and for allocating to the Area Boards responsibility in respect of all other stock issued for the purposes of borrowing money, having regard to the extent to which the money is borrowed for the purposes of the respective Boards;
- (c) for allocating to the Area Boards and the Gas Council responsibility in respect of any stock issued for the purpose of redeeming or converting British Gas Stock, in the same proportions as responsibility was allocated in respect of the stock to be redeemed or converted.

(3) Each Area Board shall, at such times as may be directed by the Gas Council, pay to the Council—

- (a) such sums as may be necessary to enable the Council to make any payments, or to refund to themselves any payments made, in respect of interest on or the redemption of British Gas Stock, including payments into a sinking fund, so far as the payments are attributable to stock for which the Area Board are ultimately responsible under this section; and
- (b) such contributions towards the expenses incurred by the Gas Council in issuing any British Gas Stock and in managing that stock as bear to the total expenses so incurred the same proportion as the amount of the stock in respect of which the Area Board are ultimately responsible under this section bears to the total amount of the stock.

Any sums paid by an Area Board under this subsection to enable the Gas Council to make payments in respect of interest on British Gas Stock shall be deemed to be annual payments, and any sums so paid to enable the Council to make payments in respect of the redemption of such stock shall be deemed to be capital payments.

45.—(1) The principal of and the interest on any British Gas Stock created and issued for the purpose of satisfying any right to compensation which, under any provision of this Act, is expressly required to be satisfied by the issue of stock, shall be guaranteed by the Treasury, and the Treasury may guarantee, in such manner and on such conditions as they think fit, the redemption or repayment of, and the payment of any interest on, any other British Gas Stock or any temporary loan raised by the Gas Council or any Area Board.

(2) Any sums required by the Treasury for fulfilling any such guarantee as is provided for by the last preceding subsection shall be charged on and issued out of the Consolidated Fund of the United Kingdom or the growing produce thereof (hereinafter referred to as "the Consolidated Fund"), and any such sums shall be repaid together with interest thereon at such rate as the Treasury may determine by the Gas Council to the Treasury in such manner and over such period as the Treasury may, after consultation with the Minister, determine.

(3) Immediately after a guarantee is given under this section, the Treasury shall lay a statement of the guarantee before each House of Parliament.

(4) Where any sum is issued out of the Consolidated Fund under this section, the Treasury shall forthwith lay before each House of Parliament a statement that that sum has been issued.

46.—(1) The Gas Council shall establish and maintain a fund, which shall be known as the central guarantee fund, for the following purposes—

(a) in the event of any Area Board or the Gas Council being unable temporarily to discharge their obligations in respect of the payment of interest on, or the redemption or repayment of, any British Gas Stock or any temporary loan, or in respect of any payment by way of compensation to a local authority, for enabling those payments to be made out of the fund;

(b) for repaying to the Treasury any payments made by them for the purposes of fulfilling any guarantee given by them under the last preceding section;

and the moneys in the central guarantee fund shall be applied by the Gas Council for those purposes only.

(2) The Area Boards shall in each financial year, and the Gas Council shall in any financial year in which they are

PART III.
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required to make any payments in respect of British Gas Stock issued for the provision of money for the manufacture of plant, gas fittings or coke fittings by the Council or in respect of any temporary loan raised by the Council for the purpose of such manufacture, contribute to the central guarantee fund such sums as the Gas Council, with the approval of the Minister and the Treasury, from time to time determine, including any sums required to make good payments made out of the fund for the purposes mentioned in the preceding subsection.

Provided that—

- (a) the aggregate of the sums standing to the credit of the central guarantee fund shall not at any time exceed the sum of five million pounds;
- (b) the aggregate of the sums contributed as aforesaid to the central guarantee fund, excluding any sums required to make good payments made out of the fund for the purposes mentioned in the preceding subsection, shall not in any financial year exceed the sum of one million pounds;
- (c) if the Minister and the Treasury do not approve any such determination, the Minister may himself with the approval of the Treasury determine the sums to be contributed as aforesaid.

(3) The Gas Council, for the purpose of correcting from time to time, having regard to changed circumstances, the extent of the contributions made by the various Area Boards and the Gas Council to the central guarantee fund under the last preceding subsection, may, with the approval of the Minister and the Treasury, repay out of the fund to any Area Board or to themselves any part of those contributions previously made by the Board or Council.

(4) All moneys in the central guarantee fund which are not for the time being required to be applied for the purposes of the fund shall be invested in such securities of the Government of the United Kingdom or such securities guaranteed by the Treasury as may be determined by the Gas Council with the approval of the Minister and the Treasury.

(5) Any interest arising from the investment of moneys in the fund shall be paid into the fund, except when the sums standing to the credit of the fund have reached the sum of five million pounds, and shall in that case be distributed to the Area Boards and the Gas Council in such shares as may be determined by the Gas Council, having regard to the extent of their respective contributions to the fund.

(6) Where any Area Board fail to discharge their obligations in respect of any such payments as are referred to in

paragraph (a) of subsection (1) of this section or in respect of contributions which they are required to make to the central guarantee fund, the Gas Council may, with the approval of the Minister, give directions to the Area Board with respect to the management or policy of the Board, including tariffs and other financial matters, during such period as the Minister after consultation with the Gas Council and the Area Board may determine, being a period which extends at least until the said obligations (including any contributions required to be made to the central guarantee fund in respect of the default) have been met, and the Area Board shall give effect to any such directions.

47.—(1) Each Area Board and, if and so long as they exercise their powers to manufacture plant, gas fittings or coke fittings, the Gas Council shall establish and maintain a general reserve fund for the purposes of the Area Board or the Gas Council as the case may be.

Reserve funds
of Area Boards
and Gas
Council.

(2) The Area Board or the Gas Council, as the case may be, shall contribute to the said fund to such extent as they may determine, and the management of the said fund and the application of the moneys comprised therein shall be such as they may determine:

Provided that—

- (a) no part of the reserve fund so established by an Area Board shall be applied otherwise than for the purposes of the Board and no part of the reserve fund so established by the Gas Council shall, so long as it is required to be maintained, be applied otherwise than for purposes connected with the manufacture of plant or fittings by them; and
- (b) the power of the Minister to give directions to any Area Board and to the Gas Council shall extend to the giving to them with the approval of the Treasury of directions as to any matter relating to the establishment of a reserve fund by the Board or Council under this section, the management thereof, the carrying of sums to the credit thereof or the application thereof, notwithstanding that the directions may be of a specific character.

(3) The preceding provisions of this section shall be without prejudice to the power of Area Boards and of the Gas Council to make appropriate provision for replacements or other purposes.

48.—(1) The Gas Council may require any Area Board from time to time to contribute such sums as the Council, with the approval of the Minister, may determine, towards meeting the expenses of the Council, other than expenses in

Contributions
by Area
Boards to
Council's
expenses.

PART III.
—cont.

respect of the manufacture of plant, gas fittings or coke fittings, and the Area Board shall comply with that requirement.

(2) Any sums contributed by an Area Board under this section towards meeting the expenses of the Gas Council in respect of interest on any British Gas Stock or any temporary loan shall be deemed to be annual payments, and any sums so contributed towards meeting the expenses of the Council in respect of the redemption of any such stock or loan shall be deemed to be capital payments.

Sums which are to be chargeable to revenue account.

49. Each Area Board and the Gas Council shall charge to revenue account in every year all charges which are proper to be made to revenue account, including, in particular, proper allocations to the central guarantee fund and to any reserve fund kept by the Board or Council under section forty-seven of this Act, proper provision for the redemption of capital and proper provision for depreciation of assets or for renewal of assets, and all payments (including the payments which are by the relevant provisions of this Act, or by any other relevant enactment, to be deemed to be capital payments) which fall to be made in that year to any local authority under Part II of this Act in respect of any loan or advance of that local authority, and references in this Act to outgoings properly chargeable to revenue account shall be construed accordingly.

Accounts and audit of Area Boards and Gas Council.

50.—(1) Each Area Board and the Gas Council shall keep proper accounts and other records in relation to the business of that Board or the Council, as the case may be, and shall prepare in respect of each financial year a statement of accounts in such form as the Minister, with the approval of the Treasury, may direct, being a form which shall conform with the best commercial standards.

(2) The form of the said statement shall be such as to secure the provision of separate information as respects each of the main activities of the Board concerned or of the Council, and to show as far as may be the financial and operating results of each such activity.

(3) The accounts of every Area Board and of the Gas Council shall be audited by auditors to be appointed in respect of each financial year by the Minister:

Provided that no person shall be qualified to be so appointed unless he is a member of one or more of the following bodies:—

The Institute of Chartered Accountants in England and Wales;

The Society of Incorporated Accountants and Auditors;

The Society of Accountants in Edinburgh;
 The Institute of Accountants and Actuaries in Glasgow;
 The Society of Accountants in Aberdeen;
 The Association of Certified and Corporate Accountants;
 The Institute of Chartered Accountants in Ireland.

PART III
 —cont.

(4) Every Area Board and the Gas Council shall as soon as their accounts have been audited, send a copy of the statement thereof referred to in subsection (1) of this section to the Minister together with a copy of any report made by the auditors on that statement or on those accounts, and copies of those statements and of every such report shall be made available to the public at a reasonable price.

(5) The Minister shall lay a copy of every such statement and report before each House of Parliament.

PART IV.

MISCELLANEOUS AND GENERAL.

Schemes relating to carbonization activities of National Coal Board and Area Boards.

51.—(1) The National Coal Board and any Area Board in whose area the National Coal Board are engaged in activities relating to carbonization shall consult together with a view to the submission to the Minister of an agreed scheme or schemes for securing the co-ordination in the national interest of the activities of the two Boards relating to carbonization and any such scheme may provide for co-ordinating arrangements for the marketing of products of those activities, and for any incidental and supplementary matters, including financial arrangements, for which provision appears to the Boards to be necessary or expedient.

Schemes
 relating to
 carbonization
 activities of
 National Coal
 Board and
 Area Boards.

(2) If the National Coal Board and any such Area Board fail to reach agreement on a scheme to be submitted to the Minister under the preceding subsection, the Minister may direct the two Boards to submit separate schemes, and he may approve one or other of those separate schemes, with or without modification, or may, after considering the said schemes, himself make a scheme providing for the matters aforesaid.

(3) The Minister may, if and in so far as it appears to him to be necessary or expedient for the purpose of giving effect to any agreed scheme submitted to him under subsection (1) of this section or any scheme approved or made by him under the last preceding subsection, make provision by order for imposing duties or conferring powers on the two Boards or on either of them or for any other matters

PART IV.
—cont.

for which provision appears to the Minister to be necessary or expedient for the purpose aforesaid:

Provided that an order made under this subsection shall not provide for the transfer of any property or rights, unless the transfer is agreed to by both Boards.

(4) The two Boards concerned may at any time submit to the Minister an agreed scheme for amending any scheme having effect under this section and, if it appears to the Minister that any scheme having such effect requires amendment and that the two Boards are unable to reach agreement with respect to the amendment thereof, he may direct them to submit separate amending schemes, and he may approve one or other of those separate schemes, with or without modification, or may, after considering the said schemes, himself make an amending scheme; and the last preceding subsection shall apply for the purpose of giving effect to any amending scheme agreed, approved or made under this subsection.

(5) Before giving their agreement to any scheme to be submitted to the Minister under subsection (1) or subsection (4) of this section the Area Board concerned shall consult with the Gas Council.

(6) Where it appears to the Minister with respect to any property used for the purposes of any activity to which a scheme under this section applies, that it is expedient in the national interest that the property should be transferred from one of the Boards concerned to the other and that the agreement of both Boards to that transfer cannot be obtained, he may cause an inquiry to be held into the matter by a competent and impartial person or committee of persons, and after considering the report of that person or committee, which shall be published by the Minister, he may by order provide—

- (a) for the transfer from one Board to the other of the property in question and of such rights, liabilities and obligations acquired or incurred in connection with the use of that property as may be specified in the order or determined thereunder;
- (b) for the payment of compensation by the Board to whom the property is transferred to the other Board;
- (c) for any supplementary or consequential matters for which provision appears to the Minister to be necessary or expedient, including any of the matters for which provision may be made on the transfer by order of property, rights, liabilities and obligations from one Area Board to another.

(7) An order made under this section shall not be made unless a draft thereof has been laid before Parliament and has been approved by resolution of each House of Parliament.

*Provisions as to supply of gas by persons other than
Area Boards.*

PART IV.
—cont.

52.—(1) No person shall, after the vesting date, commence to supply gas to any premises which he was not supplying at that date, except with the consent of the Area Board in whose area the premises are situated and in accordance with such conditions as may be attached to that consent.

Provisions as
to supply of
gas by persons
other than
Area Boards.

(2) Any person, other than an Area Board, who is engaged after the vesting date in the manufacture of gas may by notice require the Area Board in whose area the gas is manufactured to buy all or part of the gas manufactured by him which he does not require for his own use, and the Area Board shall, if and so far as it is reasonably practicable and economical for them to do so, comply with that requirement.

(3) The Area Board in whose area gas is manufactured by any such person as aforesaid may, if it appears to them to be necessary for the proper performance of their duties under paragraph (a) of subsection (1) of section one of this Act, require that person to sell to the Board all or part of the gas manufactured by him which he does not require for his own use, and the said person shall comply with that requirement.

(4) Where the Area Board makes such a requirement as aforesaid, the rights and obligations, if any, of the person upon whom it is made which relate to the supply of gas after the date on which the requirement takes effect shall be transferred to the Area Board, and any agreement relating to such supply shall have effect accordingly :

Provided that the Area Board shall not be under any liability by reason of any failure to provide a supply in pursuance of any such obligation, if the failure is due to any deficiency in the quantity or quality of the gas supplied in pursuance of the said requirement.

(5) Where any requirement is made under subsection (2) or subsection (3) of this section, any pipes or other plant or gas fittings which the person who is to sell gas to the Area Board uses or holds for the purpose of or in connection with the supply of gas manufactured by him and which will, in consequence of the said requirement, no longer be required by him, but not including any pipes, plant or fittings which it is not reasonably practicable and economical for the Area Board to take over, shall, if either the Area Board or the said person so requires, be transferred to the Area Board.

(6) Any question arising under this section as to whether, or as to the extent to which, it is reasonably practicable and economical for an Area Board to buy a supply of gas, or as to the terms and conditions on which the supply is to be given, or as to whether, or as to the extent to which, pipes, plant or gas fittings are to be transferred to an Area Board, or as to the

PART IV.
—cont.

terms and conditions on which they are to be transferred, shall be referred for inquiry and report to a person appointed by the Minister after consultation with the Lord Chancellor or, in the case of the Scottish Gas Board, after consultation with the Secretary of State, and shall be determined by the Minister after considering the report of the said person.

(7) For the purposes of this section,—

- (a) a person providing gas for his own use shall not in so doing be deemed to be supplying gas, and gas provided by a company for the use of any subsidiary or holding company of that company, or of any subsidiary of a holding company of that company, shall be deemed to be provided for the use of that company ;
- (b) a person providing, for use in a flat or part of a building let by him, gas supplied to him shall not in so doing be deemed to be supplying gas.

(8) This section shall not affect the supply of gas by any person otherwise than through pipes.

*Gas charges, meters, and other provisions relating to
gas supply.*

Methods of
charge and
tariffs.

53.—(1) Subject to the following provisions of this section, every Area Board shall charge for the gas supplied by them according to the number of therms supplied, such number to be calculated in the prescribed manner on the basis of the declared calorific value of the gas.

(2) Where, immediately before the vesting date, charges for gas supplied from any gasworks belonging to any undertaker to whom Part II of this Act applies were being made by some method other than according to the number of therms supplied, the Area Board may, for a period not exceeding five years from the vesting date, continue to charge for gas supplied from those gasworks by that other method, and the Minister may, if it appears to him that it would be impracticable or uneconomical to require the Area Board to adopt the method of charge specified in the preceding subsection in relation to gas supplied from any such gasworks, authorise the Board to continue to use the said other method of charge after the expiration of the said five years.

(3) Regulations shall—

- (a) make provision as to the time when and the manner in which the calorific value of gas supplied by Area Boards is to be declared and is to be brought to the notice of consumers and as to the time when any such declaration is to take effect ; and

- (b) provide for the adjustment of charges for gas in cases where an alteration in the declared calorific value occurs in the course of a period for which such charges are made :

Provided that any declaration of the calorific value of gas supplied from any gasworks of an undertaker to whom Part II of this Act applies, being a declaration in force immediately before the vesting date, shall continue in force in relation to gas supplied from those gasworks until it is replaced by a declaration made under the said regulations.

(4) Subject to the following provisions of this subsection, the prices to be charged by an Area Board for the supply of gas by them shall be in accordance with such tariffs as may be fixed from time to time by them, and those tariffs shall be so framed as to show the methods by which and the principles on which the charges are to be made as well as the prices which are to be charged, and shall be published in such manner as in the opinion of the Area Board will secure adequate publicity for them :

Provided that—

- (a) the tariffs in force immediately before the vesting date in respect of gas supplied from any gasworks of an undertaker to whom Part II of this Act applies shall remain in force in respect of gas supplied by an Area Board from those gasworks, until varied or replaced by tariffs fixed in accordance with this section ; and
- (b) nothing in this subsection shall affect any special agreement for the supply of gas in force immediately before the vesting date.

(5) A tariff fixed by an Area Board under the last preceding subsection may include a standing charge in addition to the charge for the actual gas supplied and may also include a rent or other charge in respect of any gas meter or gas fittings provided by the Board on the premises of the consumer.

(6) Notwithstanding anything in the preceding provisions of this section, an Area Board may enter into a special agreement with any consumer for the supply of gas to him on such terms as may be specified in the agreement :

Provided that an Area Board shall not enter into such agreements except in cases where the tariffs in force are not appropriate owing to special circumstances.

(7) An Area Board, in fixing tariffs and making agreements under this section, shall not show undue preference to any person or class of persons and shall not exercise any undue discrimination against any person or class of persons.

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—cont.
Meter testing
and stamping.

54.—(1) As from the vesting date, no meter shall be used for the purpose of ascertaining the quantity of gas supplied to any person unless it is stamped by a meter examiner appointed under this section, and no such meter examiner shall stamp a meter unless he is satisfied that it is of such pattern and construction and is marked in such manner as is approved by the Minister and that the meter conforms to such standards as may be prescribed.

(2) The Minister shall appoint competent and impartial persons as meter examiners for the purposes of this section, and it shall be the duty of such an examiner, on being required to do so by any person and on payment of the prescribed fee, to examine any meter used or intended to be used for ascertaining the quantity of gas supplied to any person, and to stamp that meter if the examiner is satisfied of the matters aforesaid, and the meter examiners shall comply with any directions given by the Minister as to the exercise and performance of their functions.

(3) There shall be paid out of moneys provided by Parliament to meter examiners such remuneration (whether by way of salaries or fees) and such allowances as may be determined by the Minister with the approval of the Treasury, and such pensions may be paid out of moneys provided by Parliament to or in respect of any such meter examiner as may be so determined.

(4) All fees payable in respect of the examination of meters by meter examiners shall be paid to the Minister.

(5) Regulations may make provision—

- (a) for re-examining meters already stamped, and for cancelling the stamp on any meters which no longer conform with the prescribed standards;
- (b) for requiring meters to be periodically overhauled;
- (c) for the revocation of any approval given by the Minister to any particular pattern or construction of meter and for requiring existing meters of that pattern or construction to be replaced within such period as may be prescribed;
- (d) for determining the fees to be paid for examining, stamping and re-examining meters, and the persons by whom they are to be paid; and
- (e) for any matters supplementary or incidental to the matters aforesaid and to the provisions of this section for which provision appears to the Minister to be necessary or expedient.

(6) If any person supplies gas through a meter which has not been stamped under this section, he shall be liable on summary conviction to a fine not exceeding one hundred pounds and, if the default in respect of which any person is convicted under this subsection is continued after the conviction, he shall be guilty of a further offence and liable in respect thereof on summary conviction to a fine not exceeding five pounds for each day during which the default is so continued.

(7) Any meter which has before the vesting date been duly stamped under the enactments then in force shall be deemed to have been stamped under this section.

(8) All apparatus and equipment used immediately before the vesting date by the council of any county, borough or burgh or by any justices for the purpose of examining and stamping meters used for ascertaining the quantity of gas supplied, including any apparatus or equipment affixed to a building, shall on the vesting date vest by virtue of this Act in the Minister, and there shall be paid out of moneys provided by Parliament such compensation in respect of that vesting as may be agreed or, in default of agreement, settled by arbitration under this Act.

(9) The Minister shall be entitled to occupy and use, as from the vesting date, any premises used immediately before the vesting date, by any such council or justices wholly or mainly for the purpose aforesaid, for such period, on the payment of such rent and on such other terms and conditions as may be agreed between the Minister and the council or justices, as the case may be, or, in default of agreement, as may be determined by arbitration under this Act to be fair and reasonable in all the circumstances, and, on ceasing to occupy and use any such premises, the Minister shall be entitled to remove any apparatus or equipment vesting in him by virtue of this Act which is affixed to the premises, making good any damage caused by such removal or paying such compensation therefor as may be agreed or determined as aforesaid.

55.—(1) The Minister shall, after consultation with the Gas Council, prescribe standards of pressure, purity and uniformity of calorific value to be complied with by Area Boards in supplying gas, and may, after consultation with the Gas Council, prescribe other standards with respect to the properties, condition and composition of gas supplied by Area Boards, and the regulations may, in the case of such supplies provided for industrial purposes only as may be specified in the regulations and subject to such conditions as may be so

Standards of gas quality to be complied with by Area Boards.

PART IV.
—cont.

specified, provide for granting exemption from the obligation to comply with any such standards.

(2) The Minister shall appoint competent and impartial persons to carry out tests of the gas supplied by Area Boards for the purpose of ascertaining whether it is of the declared calorific value and conforms with the standards prescribed under this section, and the persons so appointed shall comply with any directions given by the Minister as to the exercise and performance of their functions.

(3) There shall be paid out of moneys provided by Parliament to the persons so appointed such remuneration (whether by way of salaries or fees) and such allowances as may be determined by the Minister with the approval of the Treasury, and such pensions may be paid out of moneys provided by Parliament to or in respect of any of those persons as may be so determined, and any sums paid by the Minister under this subsection shall be repaid to him by the Gas Council.

(4) Regulations may provide—

- (a) for determining the places at which such tests as aforesaid are to be carried out;
- (b) for requiring premises, apparatus and equipment to be provided and maintained by Area Boards for the purpose of carrying out such tests;
- (c) for persons representing Area Boards to be present during the carrying out of such tests;
- (d) for the manner in which the results of such tests are to be made available to the public;
- (e) for conferring powers of entry on property of Area Boards for the purpose of deciding where tests are to be carried out and otherwise for the purposes of this section;
- (f) for refunding to consumers or otherwise disposing of any excess revenue obtained by an Area Board by reason of their failure to maintain the calorific value declared in respect of any gas supplied by them; and
- (g) for any other matters supplementary or consequential on the matters aforesaid for which provision appears to the Minister to be necessary or expedient.

(5) All moneys standing on the vesting date to the credit of the gas fund established under section seven of the Gas Regulation Act, 1920, shall be paid into the Exchequer.

56.—(1) As from the vesting date, the Third Schedule to this Act (which contains a code of provisions relating to gas supply) shall apply to Area Boards:

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—cont
Application
of gas supply
code and
enactments to
Area Boards.

Provided that, if it appears to the Minister, as respects any obligation imposed by the said Schedule, that it is not reasonably practicable to require an Area Board to fulfil that obligation in relation to any part of the area of the Board as respects which the obligation was not imposed on the undertaker supplying gas in that part before the vesting date, he may by order provide for relieving the Area Board from that obligation, in relation to that part of their area, for such period not extending beyond five years from the vesting date as may be specified in the order, on such conditions as may be so specified.

(2) All local enactments in force at the vesting date and applicable to any statutory undertakers, except enactments applicable to any Electricity Boards, local authorities or composite companies otherwise than in relation to their gas undertakings, shall as from the vesting date have effect—

(a) as if for references to the undertaker there were substituted references to the Area Board in whom property, rights, liabilities and obligations of the undertaker vest by virtue of this Act;

(b) as if for any references (however worded and whether expressed or implied) to the gas undertaking or any part thereof or to the limits of supply of the undertaker or any part thereof there were substituted a reference to so much of the business carried on by the Area Board as corresponds to that undertaking or part thereof or, as the case may be, a reference to the area comprised in the said limits of supply immediately before the vesting date or part thereof;

and shall also have effect, as from such date as may be prescribed, which may be prior to the making of the regulations but not to the vesting date, with such other adaptations and modifications (if any) as may be prescribed, being adaptations and modifications required in consequence of the provisions of this Act:

Provided that any such local enactment which provides for the regulation of charges made by the undertaker and any other such local enactment which is inconsistent with or rendered redundant by the provisions of this Act shall cease to have effect, as from the vesting date, so, however, that this proviso shall not be taken as affecting any local enactment which contains special provisions for the protection of any person or class of persons and is not rendered redundant by the provisions of this Act.

PART IV.
—cont.

(3) References in any enactment other than a local enactment to persons carrying on gas undertakings (whatever expression may be used to describe such persons) and to the gas undertakings of such persons shall, as from the vesting date, be construed as references to Area Boards and to the business carried on by those Boards.

(4) For the purpose of securing, so far as is reasonably practicable, a uniform statutory code applicable throughout the area of each Area Board, the Minister may by order provide for the repeal or amendment of any such local enactment as has effect under subsection (2) of this section or for its extension to the whole or a greater part of the area concerned, and for such matters consequential on or incidental to any such repeal, amendment or extension for which the Minister considers it necessary or expedient to provide.

An order under this subsection shall be subject to special parliamentary procedure.

(5) If property and rights used by the British Transport Commission for the purposes of any gas undertaking carried on by them are transferred to an Area Board, the Minister may by order provide for the application to the Board of any local enactment applicable to the Commission, so far as appears to the Minister to be necessary or expedient in consequence of the said transfer.

(6) Where an order made under this Act provides for the transfer of property, rights, liabilities and obligations from one Area Board to another, that order or a subsequent order may provide for the application to the last named Board of any local enactment applicable to the first named Board, so far as appears to the Minister necessary or expedient in consequence of the said transfer.

Conditions of employment, pension rights and compensation.

Machinery for settling terms and conditions of employment of staff, etc.

57.—(1) Except so far as they are satisfied that adequate machinery exists for achieving the purposes of this section,—

- (a) it shall be the duty of the Gas Council to seek consultation with any organization appearing to them to be appropriate with a view to the conclusion between the Gas Council and that organization of such agreements as appear to the parties to be desirable with respect to the establishment and maintenance of machinery for the settlement by negotiation of terms and conditions of employment of persons employed by Area Boards and the Gas Council, with

provision for reference to arbitration in default of such settlement in such cases as may be determined by or under the agreements; and

- (b) it shall be the duty of each Area Board and of the Gas Council to seek consultation with any organization appearing to them to be appropriate with a view to the conclusion between that Area Board or the Gas Council, as the case may be, and that organization of such agreements as appear to the parties to be desirable with respect to the establishment and maintenance of machinery for the promotion and encouragement of measures affecting the safety, health and welfare of persons employed by the Board or Council and the discussion of other matters of mutual interest to the Board or Council and such persons, including efficiency in the operation of the services of the Board or Council.

(2) It shall be the duty of every Area Board to comply with any agreement made by the Gas Council under paragraph (a) of the preceding subsection.

(3) The Gas Council and every Area Board shall send to the Minister and the Minister of Labour and National Service copies of any agreement made by them under this section and of any instrument varying the terms of any such agreement.

58.—(1) The Minister may make regulations for all or any of the following purposes, that is to say—

Provisions as to pension rights.

- (a) for providing pensions to or in respect of persons who are or have been in the employment of an Area Board, the Gas Council or a Gas Consultative Council, or persons who have been employed by any undertaker to whom Part II of this Act applies or have been employed whole-time for the purpose of administering undertakings or parts of undertakings of such undertakers, but who have not been taken into the employment of an Area Board or the Gas Council as aforesaid;
- (b) for the establishment and administration of pension schemes and pension funds for the purposes of the preceding paragraph, for the continuance, amendment, repeal or revocation of existing pension schemes relating in whole or in part to the like purposes and of enactments relating thereto and of trust deeds, rules or other instruments made for the purposes thereof, for the transfer in whole or in part,

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—cont.

or for the extinguishment, of liabilities under any such existing pension schemes, and for the transfer in whole or in part, or winding up, of pension funds held for the purposes of any such existing pension schemes, so, however, that nothing in this paragraph shall be construed as authorising the diversion of any such funds to purposes other than those of the preceding paragraph;

- (c) for making any provision consequential on any such provision as aforesaid including provision for the dissolution or winding up of bodies, whether incorporated or not, the continued existence whereof is unnecessary having regard to the regulations.

(2) Where provision is made by any such regulations for the amendment, repeal or revocation of any existing pension scheme or of any enactment relating thereto or any trust deed, rules or other instrument made for the purposes thereof, or for the transfer or extinguishment of any liability under any pension scheme or for the transfer or winding up of any pension fund held for the purposes of any such scheme, the regulations shall be so framed as to secure that persons having pension rights under the scheme, whether such persons are mentioned in paragraph (a) of the preceding subsection or not, are not placed in any worse position by reason of the amendment, repeal, revocation, transfer, extinguishment or winding up:

Provided that this subsection shall have effect subject to such limitations as may be prescribed for meeting cases in which, in connection with any provision made by this Act or in anticipation of the making of any such provision, pension rights have been created otherwise than in the ordinary course.

(3) Regulations made under this section shall not be invalid by reason that in fact they do not secure that persons having pension rights are not placed in any worse position by reason of any such amendment, repeal, revocation, transfer, extinguishment or winding up as is mentioned in the last preceding subsection, but if the Minister is satisfied or it is determined as hereinafter mentioned that any such regulations have failed to secure that result, the Minister shall as soon as possible make the necessary amending regulations.

Any dispute arising as to whether or not the said result has been secured by any regulations made under this section shall be referred to a referee or board of referees appointed by the Minister of Labour and National Service, after consultation with the Lord Chancellor or, where the proceedings are to be held in Scotland, after consultation with the Secretary of

State, for his or their determination thereon, and the decision of that referee or board shall be final.

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(4) Without prejudice to the generality of the preceding provisions of this section, regulations made under this section may contain provisions authorising any person who, being a participant in any pension scheme to which the regulations relate, becomes a member of an Area Board or the Gas Council, being treated as if his service as a member of the Board or Council were service in the employment of the Board or Council, and the pension rights of any such person resulting from the operation of any such provision shall not be affected by any provision of this Act which requires that the pensions, if any, which are to be paid in the case of members of the Board or Council are to be determined by the Minister with the approval of the Treasury.

(5) Subject to any regulations made under this section, the provisions of this Act under which liabilities and obligations of an undertaker to whom Part II of this Act applies are vested in an Area Board or the Gas Council shall apply in relation to customary obligations of the undertaker in respect of pensions, notwithstanding that the undertaker was under no legal obligation in respect of those pensions, and if any question arises as to the existence or extent of any such customary obligation the question shall, in default of agreement, be referred to a referee or board of referees appointed by the Minister of Labour and National Service, after consultation with the Lord Chancellor, or where the proceedings are to be held in Scotland, after consultation with the Secretary of State, and the decision of that referee or board shall be final and the Area Board or the Gas Council shall give effect to that decision.

(6) Nothing in this section, and in particular nothing in subsection (2) thereof, shall be taken to derogate from the power conferred by subsection (4) of section sixty-nine of the National Insurance Act, 1946, to make regulations providing for the modifying or winding up of pension schemes in connection with the passing of that Act.

9 & 10 Geo. 6.
c. 67.

(7) Regulations made under this section may contain such supplementary and consequential provisions as the Minister thinks necessary, including provisions as to the manner in which questions arising under the regulations are to be determined and provisions adapting, modifying or repealing enactments, whether of general or special application.

(8) The original regulations made under this section shall be made within twelve months after the vesting date, and any

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regulations made under this section may be made so as to have effect from a date prior to the making thereof, so, however, that so much of any regulations as provides that any provision thereof is to have effect from a date prior to the making thereof shall not place any person other than an Area Board or the Gas Council in a worse position than he would have been if the regulations had been made to have effect only as from the date of the making thereof.

Co-partnership
Schemes.

59.—(1) Where any scheme in force immediately before the vesting date provides for enabling persons employed by any undertaker to whom Part II of this Act applies, other than an undertaker to whom section eighteen of this Act applies, or any class of persons so employed, to participate in the profits of the undertaking, provision shall be made by regulations for continuing the scheme (including any provisions of the scheme relating to welfare or amenities or the management of the scheme) for such period after the vesting date as may be specified in the regulations, with such adaptations and modifications as appear to the Minister to be necessary or expedient.

The regulations made under this subsection shall be made not less than one month before the vesting date but without prejudice to such variation of any of those regulations as may subsequently appear to the Minister to be necessary.

(2) If an Area Board or the Gas Council enter into an agreement with any organization with whom they seek consultation under section fifty-seven of this Act for the making of arrangements by the Board or Council in place of any such scheme as aforesaid, or arrangements for continuing any such scheme with modifications and adaptations, regulations shall make such provision (if any) as may be necessary to give effect to those arrangements and, in particular in the case of arrangements made in place of any such scheme, to enable assets held under the said scheme for the benefit of persons to whom the arrangements are to apply to be transferred and held for the benefit of those persons under the arrangements.

(3) Where any such scheme as aforesaid ceases to have effect, regulations shall make provision for the distribution of any assets held for the purposes of the scheme to the persons beneficially entitled thereto, not being assets transferred and held for the benefit of persons to whom arrangements made under the last preceding subsection apply, and otherwise for winding up the said scheme and for repealing any local enactment relating thereto.

Compensation
to officers.

60.—(1) The Minister shall by regulations require every Area Board and the Gas Council to pay, in such cases and

to such extent as may be specified in the regulations, compensation to officers of any undertaker some or all of whose property, rights, liabilities and obligations vest by virtue of this Act in the Board or Council and officers employed whole-time for the purpose of administering undertakings or parts of undertakings of undertakers to whom Part II of this Act applies, being officers who suffer loss of employment or loss or diminution of emoluments or pension rights in consequence of the vesting, or in consequence of the subsequent transfer from one Area Board to another or from the Gas Council to an Area Board or the subsequent disposal in any other manner, of any such property, rights, liabilities or obligations, or in consequence of anything done under the last preceding section.

(2) Regulations shall provide for the payment by the Minister out of moneys provided by Parliament of compensation, in such cases and to such extent as may be specified in the regulations, to any or all of the following persons, that is to say—

- (a) persons employed whole-time as inspectors of meters under section four of the Sale of Gas Act, 1859;
- (b) persons whose whole-time employment is made up of employment as inspectors of meters under the said section four and of other employment by a local authority;
- (c) persons who assist such inspectors as aforesaid and are employed whole-time by a local authority;
- (d) persons employed whole-time as gas examiners under section thirteen of the Gas Undertakings Act, 1934; and
- (e) persons whose whole-time employment is made up of employment as gas examiners as aforesaid and of other employment by a local authority,

22 & 23 Vict.
c. 66.

being persons who suffer loss of employment or loss or diminution of emoluments or pension rights in consequence of the passing of this Act.

(3) Regulations made under this section shall, in such cases and to such extent as may be specified in the regulations, extend to persons who would have been within this section but for any war service in which they have been engaged.

In this subsection the expression "war service" means service in any of His Majesty's forces and such other employment as may be specified in the regulations.

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(4) Different regulations may be made under this section in relation to different classes of persons, and any such regulations may be so framed as to have effect as from a date prior to the making thereof, so, however, that so much of any regulations as provides that any provision thereof is to have effect as from a date earlier than the making thereof shall not place any person other than an Area Board or the Gas Council in a worse position than he would have been in if the regulations had been made to have effect only as from the date of the making thereof.

(5) Regulations made under this section—

(a) shall prescribe the procedure to be followed in making claims for compensation, and the manner in which and the person by whom the question whether any or what compensation is payable is to be determined; and

(b) may in particular contain provisions enabling appeals from any determination as to whether any or what compensation is payable to be brought, in such cases and subject to such conditions as may be prescribed by the regulations, before a referee or board of referees appointed by the Minister of Labour and National Service, after consultation with the Lord Chancellor or, where the proceedings are to be held in Scotland, after consultation with the Secretary of State;

and where any such provision is made as is specified in paragraph (b) of this subsection, the decision of the referee or board of referees shall be final.

(6) No regulations shall be made under this section unless a draft thereof has been laid before Parliament and has been approved by resolution of each House of Parliament, and a draft of the first regulations proposed to be made under this section shall be laid before Parliament not later than six months after the vesting date.

Additional provisions as to referees appointed by Minister of Labour.

61.—(1) The Minister of Labour and National Service may, with the approval of the Treasury, pay out of moneys provided by Parliament—

(a) to any referee or to the members of any board of referees appointed by him under sections fifty-eight and sixty of this Act such fees and allowances as he may with the consent of the Treasury determine; and

(b) to persons giving evidence before any such referee or board such allowances as he may with the consent of the Treasury determine.

(2) Nothing in the Arbitration Acts, 1889 to 1934, shall be construed as applying to any proceedings before a referee or board of referees appointed under either of the said sections fifty-eight and sixty by the Minister of Labour and National Service.

62.—(1) All property, rights, liabilities and obligations which immediately before the vesting date were property, rights, liabilities and obligations of any of the following bodies, that is to say—

- (a) the British Gas Council;
- (b) the Federation of Gas Employers;
- (c) the National Federation of Gas Coke Associations, and every constituent Association of that Federation; and
- (d) the Association of Gas Corporations,

shall on the vesting date vest by virtue of this Act and without further assurance in the Gas Council.

(2) Subsections (3) to (8) of section seventeen, section twenty-two, section fifty-eight and section sixty of this Act shall, so far as applicable, apply in relation to every such body as aforesaid as if that body were an undertaker to whom Part II of this Act applies, and the said section sixty shall, in its application to any such body, have effect as if for the words "in consequence of the vesting" there were substituted the words "in consequence of the passing of this Act".

Gas Arbitration Tribunal.

63.—(1) For the purpose of determining any question or dispute which by any provision of this Act or any regulations made thereunder is expressly required to be determined by "arbitration under this Act", or any matter in respect of which jurisdiction is given to the arbitration tribunal by any provision of this Act, there shall be established a tribunal called the Gas Arbitration Tribunal (in this Act referred to as "the arbitration tribunal") and the arbitration tribunal shall, subject to the provisions of this section, hear and determine every such question, dispute or matter as aforesaid.

(2) The arbitration tribunal shall, as the Lord Chancellor may direct, either sit as a single tribunal or sit in two or more divisions, and shall, for the hearing of any proceedings, be constituted as follows:—

- (a) one member shall be a barrister or solicitor and he shall be the president of the tribunal;

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- (b) there shall be two other members of whom one shall be a person of experience in business and the other shall be a person of experience in finance:

Provided that, in relation to any proceedings which, under the provisions of this Part of this Act, are to be treated as Scottish proceedings, this subsection shall have effect as if for the words "barrister or solicitor," there were substituted the words "advocate or solicitor who has practised in Scotland".

(3) The members of the tribunal shall be appointed by the Lord Chancellor, except that any member or members appointed by virtue of the proviso to the last preceding subsection shall be appointed by the Lord President of the Court of Session, and any member appointed by the Lord President shall only act in relation to proceedings which are to be treated as Scottish proceedings.

(4) The members of the arbitration tribunal shall hold office for such period as may be determined at the time of their respective appointments and shall be eligible for reappointment:

Provided that—

- (a) a member may at any time by not less than one month's notice in writing to the Lord Chancellor or the Lord President of the Court of Session, as the case may be, resign his office;
- (b) the Lord Chancellor or the Lord President of the Court of Session, as the case may be, may declare the office of any member vacant on the ground that he is unfit to continue in his office;
- (c) if any member becomes bankrupt or makes a composition with his creditors his office shall thereupon become vacant.

(5) Where any such question, dispute or matter as aforesaid arises out of or in connection with the vesting by virtue of this Act of the property, rights, liabilities and obligations of any body, or in connection with any transaction of any body, and the principal place of business of the body is in Scotland, the proceedings before the tribunal in respect of the question, dispute or matter shall, subject to the provisions of this Part of this Act, be treated as Scottish proceedings.

(6) If any member of the arbitration tribunal becomes, by reason of illness or other infirmity, temporarily incapable of performing the duties of his office, the Lord Chancellor or the Lord President of the Court of Session, as the case may be,

shall appoint some other fit person to discharge his duties for any period not exceeding six months at one time, and the person so appointed shall, during that period, have the same powers as the person in whose place he was appointed.

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(7) The arbitration tribunal may, at any stage in any proceedings before them, refer to a person or persons appointed by them for the purpose any question arising in the proceedings for inquiry and report, and the report of any such person or persons may be adopted wholly or partly by the tribunal and, if so adopted, may be incorporated in an order of the tribunal.

64.—(1) The arbitration tribunal shall be a court of record and have an official seal, which shall be judicially noticed, and any order of the tribunal shall be enforceable in England and Wales as if it were an order of the High Court.

Procedure and enforcement of orders of arbitration tribunal.

(2) The provisions of the Arbitration Acts, 1889 to 1934, with respect to—

- (a) the administration of oaths and the taking of affirmations; and
- (b) the correction in awards of mistakes and errors; and
- (c) the summoning, attendance and examination of witnesses and the production of documents; and
- (d) the costs of the reference and award,

shall, with any necessary modifications, apply in respect of any proceedings before the arbitration tribunal, but, save as aforesaid, the said Acts shall not apply to any such proceedings.

(3) The arbitration tribunal may, and if so ordered by the Court of Appeal shall, state in the form of a special case for determination by the Court of Appeal any question of law which may arise before them, and an appeal shall lie to the Court of Appeal on any question of law or fact from any determination or order of the arbitration tribunal on a claim under section thirty-three of this Act against the directors of a company being an undertaker to whom Part II of this Act applies or against a composite company or on an application under section thirty-six of this Act in respect of any transaction.

(4) The Minister shall have a right to be heard in all proceedings before the arbitration tribunal and proceedings on a case stated by or an appeal from that tribunal.

(5) Subject to the provisions of this section, the procedure in or in connection with any proceedings before the arbitration tribunal shall be such as may be determined by rules to

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be made by the tribunal with the approval of the Lord Chancellor.

(6) In relation to proceedings which, under the provisions of this Part of this Act, are to be treated as Scottish proceedings, this section shall have effect subject to the following modifications—

(a) for subsections (2) and (3) there shall be substituted the following subsections—

“(2) The arbitration tribunal shall have the like powers for securing the attendance of witnesses and the production of documents, and with regard to the examination of witnesses on oath and the awarding of expenses as if the arbitration tribunal were an arbiter under a submission.

(3) The arbitration tribunal may, and if so directed by the Court of Session shall, state a case for the opinion of that Court on any question of law arising in the proceedings, and an appeal shall lie to the Court of Session on any question of law or fact from any determination or order of the arbitration tribunal on a claim under section thirty-three of this Act against the directors of a company being an undertaker to whom Part II of this Act applies or against a composite company or on an application under section thirty-six of this Act in respect of any transaction.

An appeal shall lie, with the leave of the Court of Session or of the House of Lords, from any decision of the Court of Session under this subsection, and such leave may be given on such terms as to costs or otherwise as the Court of Session or the House of Lords may determine.”;

(b) in subsection (5) for the reference to the Lord Chancellor there shall be substituted a reference to the Secretary of State,

and, in the case of any such proceedings, the tribunal shall, except in so far as for any special reasons they think fit not to do so, sit in Scotland.

Transfer of proceedings from England to Scotland and Scotland to England.

65.—(1) If, at any stage in any proceedings before the arbitration tribunal which would not otherwise fall to be treated as Scottish proceedings, the tribunal are satisfied that, by reason of the fact that questions of Scottish law arise, or for any other reason, the proceedings ought thereafter to be treated as Scottish proceedings, the tribunal may

order that they shall thereafter be so treated, and the provisions of this Part of this Act shall have effect accordingly.

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(2) If at any stage in any proceedings before the arbitration tribunal which would otherwise be treated as Scottish proceedings, the tribunal are satisfied that, by reason of the fact that questions of English law arise or for any other reason, the proceedings ought no longer to be treated as Scottish proceedings, they may make an order that the proceedings shall thereafter not be treated as Scottish proceedings, and the provisions of this Part of this Act shall have effect accordingly.

66.—(1) The arbitration tribunal may, subject to the consent of the Treasury as to numbers, appoint such officers as they consider necessary for assisting them in the proper execution of their duties. Staff and expenses of arbitration tribunal

(2) There shall be paid to the members of the arbitration tribunal and to any such officer as aforesaid such remuneration (whether by way of salaries or fees) and such allowances as the Minister may, with the approval of the Treasury, determine.

(3) There shall be paid to any person to whom proceedings are referred by the arbitration tribunal under the last but two preceding section for inquiry and report such remuneration (whether by way of salaries or fees) and such allowances as the tribunal may, with the approval of the Treasury, determine.

(4) Any such remuneration and allowances as aforesaid and any other expenses of the arbitration tribunal shall be defrayed in the first instance by the Minister out of moneys provided by Parliament, but the amounts from time to time so paid by the Minister shall be repaid on demand to the Minister by the Gas Council.

General.

67.—(1) The Minister may make such regulations as he thinks fit for the purpose of securing that the public is so far as practicable protected from any personal injury, fire, explosion or other dangers arising from the distribution of gas by an Area Board or the use of gas supplied by an Area Board. Power to make safety regulations.

(2) Any local enactment which is inconsistent with or rendered redundant by any regulations made under this section shall cease to have effect as from the date on which those regulations come into operation.

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Penalties.

68.—(1) If any person, in giving any information, making any claim or giving any notice for the purposes of any provision of this Act or of any regulation thereunder, makes any statement which he knows to be false in a material particular, or recklessly makes any statement which is false in a material particular, he shall be liable on summary conviction to imprisonment for a term not exceeding three months or to a fine not exceeding one hundred pounds, or to both such imprisonment and such fine, or on conviction on indictment to imprisonment for a term not exceeding two years or to a fine not exceeding five hundred pounds, or to both such imprisonment and such fine.

(2) Regulations made under any provision of this Act may provide that persons offending against the regulations shall be liable on summary conviction to a fine not exceeding one hundred pounds and, if the default in respect of which he is so convicted is continued after the conviction, he shall be guilty of a further offence and liable in respect thereof on summary conviction to a fine not exceeding five pounds for each day on which the default is so continued.

Provisions as
to prosecutions
and as to
offences by
corporations.

69.—(1) Proceedings for an offence under the last preceding section or any regulation made under this Act shall not, in England and Wales, be instituted except by or with the consent of the Minister or by the Director of Public Prosecutions.

(2) Where an offence under the last preceding section or any regulation made under this Act has been committed by a body corporate, every person who at the time of the commission of the offence was a director, general manager, secretary or other similar officer of the body corporate, or was purporting to act in any such capacity, shall be deemed to be guilty of that offence unless he proves that the offence was committed without his consent or connivance and that he exercised all such diligence to prevent the commission of the offence as he ought to have exercised having regard to the nature of his functions in that capacity and to all the circumstances.

In this subsection, the expression "director", in relation to any Area Board or the Gas Council or any other body corporate established by or under any enactment for the purpose of carrying on under national ownership any industry or part of an industry or undertaking, being a body corporate whose affairs are managed by the members thereof, means a member of that Board, Council or body corporate.

Service of
notices, etc.

70. Any notice or other document required or authorised to be given, delivered or served under this Act or regulations

or orders made thereunder or under any enactment applied by or incorporated with this Act may be given, delivered or served either—

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- (a) by delivering it to the person to whom it is to be given or delivered or on whom it is to be served; or
- (b) by leaving it at the usual or last known place of abode of that person; or
- (c) by sending it in a prepaid letter addressed to that person at his usual or last known place of abode; or
- (d) in the case of an incorporated company or body, or the arbitration tribunal, by delivering it to the secretary or clerk of the company, body or tribunal at their registered or principal office or sending it in a prepaid letter addressed to the secretary or clerk of the company, body or tribunal at that office; or
- (e) if it is not practicable after reasonable enquiry to ascertain the name or address of a person to whom it should be given or delivered, or on whom it should be served, as being a person having any interest in premises, by addressing it to him by the description of the person having that interest in the premises (naming them) to which it relates, and delivering it to some responsible person on the premises, or affixing it, or a copy of it, to some conspicuous part of the premises.

71.—(1) Any power conferred by this Act to make regulations or orders shall include power to provide by those regulations or orders for the determination of questions of fact or of law which may arise in giving effect to the regulations or orders and for regulating (otherwise than in relation to any court proceedings) any matters relating to the practice and procedure to be followed in connection with the determination of such questions, including provision as to the mode of proof of any matters and provision as to parties and their representation and provision for the right to appear and be heard (as well in court proceedings as otherwise) of the Minister or other authorities, and as to awarding costs of proceedings (other than court proceedings) for the determination of such questions, determining the amount thereof and the enforcement of awards thereof. Provisions as to regulations and orders.

(2) Any power conferred by this Act to prescribe by regulations or orders a period within which things are to be done shall include power to provide by those regulations or orders for extending the period so prescribed.

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(3) Any power conferred by this Act to make orders or regulations shall be exercisable by statutory instrument which, except in the case of an instrument which is required to be laid before Parliament in draft or is subject to special parliamentary procedure, shall be subject to annulment in pursuance of a resolution of either House of Parliament.

(4) In the case of orders defining or varying the areas for which Area Boards are established under this Act, copies of the maps by reference to which those areas are defined by the orders shall be made available, during the period for which the orders or drafts thereof are laid before Parliament, for inspection by members of each House of Parliament.

(5) Any order made under any such power may be revoked or varied by a subsequent order made in the like manner and subject to the like conditions.

Expenses of
the Minister.

72. Any administrative expenses incurred by the Minister or any other Minister of the Crown or Government department under this Act shall be paid out of moneys provided by Parliament, and any sums received by the Minister or by any other Minister of the Crown or Government department under or by virtue of this Act shall be paid into the Exchequer.

Inquiries.

23 & 24 Geo. 5.
c. 51.

73.—(1) The Minister may cause an inquiry to be held in any case when he deems it advisable to do so in connection with any matter arising under this Act, and subsections (2) to (5) of section two hundred and ninety of the Local Government Act, 1933, shall apply to any inquiry held by the Minister in pursuance of this section, and shall have effect as if the expression “department” included the Minister:

Provided that no local authority shall be ordered to pay costs under subsection (4) of the said section two hundred and ninety in the case of any inquiry unless they are a party thereto.

10 & 11 Geo. 6.
c. 43.

(2) Subsections (2) to (9) of section three hundred and fifty-five of the Local Government (Scotland) Act, 1947, shall apply to any inquiry held under the preceding subsection in Scotland in lieu of the enactments therein mentioned:

Provided that no local authority shall be directed under subsection (8) of the said section to pay any part of the expenses incurred in relation to any inquiry unless the authority are a party thereto.

Interpretation.

74.—(1) In this Act, except where the context otherwise requires, the following expressions have the meanings hereby respectively assigned to them, that is to say—

“ancillary gas undertaker” has the meaning assigned to it by section fifteen of this Act;

“ appropriate Board ”, except as is otherwise expressly provided, means—

(a) in relation to any gas holding company, the Gas Council; and

(b) in relation to any other undertaker to whom Part II of this Act applies, the Area Board in whom property, rights, liabilities and obligations of the undertaker vest by virtue of this Act;

“ arbitration tribunal ” means the tribunal established under section sixty-three of this Act;

“ Area Board ” has the meaning assigned to it by section one of this Act;

“ calorific value ” means the number of British thermal units (gross) produced by the combustion of one cubic foot of gas measured at sixty degrees Fahrenheit under a pressure of thirty inches of mercury and, except as may be otherwise directed by the Minister in relation to gas supplied from any gasworks or group of gasworks specified in the direction, saturated with water vapour;

“ coke fittings ” means apparatus and appliances designed for use by consumers of coke for heating, motive power, gas production or other purposes for which coke can be used;

“ company ” means a company incorporated by any enactment and a company within the meaning of the Companies Act, 1948;

“ composite company ” has the meaning assigned to it by section eighteen of this Act as modified by the proviso to subsection (1) of that section;

“ Electricity Board ” has the same meaning as in the Electricity Act, 1947;

“ emoluments ” includes any allowances, privileges or benefits, whether obtaining legally or by customary practice;

“ employed ” means employed as an officer and “ employment ” shall be construed accordingly;

“ enactment ” means any provision of a public general Act, of a local, private or personal Act, of a provisional order confirmed by an Act or of any regulation or order made under an Act;

“ final dividend ” includes any dividend paid by an undertaker to whom Part II of this Act applies in respect of any such part of a financial year as ends with the financial year;

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“ financial year ”—

(a) in relation to any Area Board and the Gas Council, means a period of twelve months ending with a day to be prescribed, so however that the first financial year shall be the period beginning with the passing of this Act and ending with the first occurrence after the vesting date of the prescribed day, and, in the case of any alteration of the prescribed day, the duration of the financial year as to which the alteration is first to have effect shall be shortened or extended as may be prescribed, by not more than six months, so as to end on the new prescribed day; and

(b) in relation to any undertaker to whom Part II of this Act applies, means the period for which the accounts of the undertaker are made up for the purpose (in the case of a company) of being laid before the company in general meeting:

Provided that, in relation to any such undertaker whose accounts are normally made up twice a year, the said expression means any period consisting of two consecutive periods for which the accounts of the undertaker are made up and ending with a date falling within the period of six months immediately preceding the twenty-third day of January, and, in relation to any such financial year, the annual rate of dividend shall be deemed to be the sum of the rates paid on the two periods making up that year;

“ functions ” means duties and powers;

“ gas fittings ” means gas pipes, fittings, meters, apparatus and appliances designed for use by consumers of gas for lighting, heating, motive power and other purposes for which gas can be used;

“ gas holding company ” has the meaning assigned to it by section fifteen of this Act;

“ gas undertaking ” means an undertaking for the supply of gas in Great Britain, but the business of operating a coke-oven plant shall not be deemed to be a gas undertaking;

“ gasworks ” means works for the manufacture of gas and gas holders and any works used in connection with such works or holders;

- “ holding company ” shall be construed in accordance with the definition contained in the Companies Act, 1948;
- “ interim dividend ” includes any dividend paid by an undertaker to whom Part II of this Act applies in respect of any such part of a financial year as ends before the end of the financial year;
- “ lease ” includes an agreement for a lease and any tenancy agreement;
- “ loan ” in relation to a local authority means a loan raised by the issue of securities or by a mortgage created under Part IX of the Local Government Act, 1933, or any similar enactment, and a loan advanced by the Public Works Loan Commissioners on the security of a mortgage;
- “ local authority ” means the council of a county borough, county district or metropolitan borough, and the common council of the City of London, and includes, in section nine and section seventy-three of this Act, the council of a county, and also includes in any other provision of this Act except the said section nine any joint board of local authorities having functions as statutory undertakers and also other functions;
- “ local enactment ” means any enactment except a provision of a public general Act and also includes any provision of the Metropolis Gas Act, 1860, and the Metropolis Gas Act, 1861; 23 & 24 Vict.
c. 125.
- “ metallurgical coke ” means coke produced in coke ovens and of a quality primarily and customarily used for the smelting, melting, or refining of ores or metals; 24 & 25 Vict.
c. 79.
- “ Minister ” means the Minister of Fuel and Power;
- “ net revenue, ” in relation to any undertaker, means the revenue of that undertaker, after deducting therefrom all charges which are proper to be made to revenue account, including, in particular, proper provision for the redemption of capital and proper provision for depreciation of assets or for renewal of assets, but not including provision for interest on debentures and debenture stock;
- “ non-statutory undertaker ” has the meaning assigned to it by section fifteen of this Act;
- “ officer ” includes a managing director and a director whose functions are substantially those of an employee but not any other director, and also includes a servant;

PART IV.
—cont.

- “pension,” in relation to any person, means a pension whether contributory or not, of any kind whatsoever payable to or in respect of him, and includes a gratuity so payable and a return of contributions to a pension fund with or without interest thereon or any other addition thereto;
- “pension fund” means a fund established for the purposes of paying pensions;
- “pension rights” includes, in relation to any person, all forms of right to or eligibility for the present or future payment of a pension to or in respect of that person, and any expectation of the accruer of a pension to or in respect of that person under any customary practice and includes a right of allocation in respect of the present or future payment of a pension;
- “pension scheme” includes any form of arrangements for the payment of pensions, whether subsisting by virtue of an Act, trust, contract or otherwise;
- “plant” includes any equipment, apparatus and appliances, except gas fittings and coke fittings;
- “preference stock” means any stock or shares in respect of which rates of preferential dividend are fixed but which give no other rights to participate in the profits;
- “prescribed” means prescribed by regulations;
- “private company” has the same meaning as in the Companies Act, 1948;
- “regulations” means regulations made by the Minister;
- “securities”, in relation to a body corporate, means any shares, stock, debentures and debenture stock of the body corporate, and also includes any mortgages of the body which were quoted in the Stock Exchange Official Daily List (within the meaning of section twenty-five of this Act) on all six of the dates in the year nineteen hundred and forty-seven mentioned in subsection (2) of that section; and “holder of securities”, in relation to any undertaker to whom Part II of this Act applies, means, except in the provisions relating to the appointment of the stockholders’ representative, a person who immediately before the vesting date was the holder of securities of that undertaker, or his successor in title;
- “statutory undertaker” shall be construed in accordance with section fifteen of this Act;

“ subsidiary ” shall be construed in accordance with the definition contained in the Companies Act, 1948;

“ therm ” means one hundred thousand British thermal units;

“ vesting date ”, subject to any special provision made by or under this Act in relation to a particular undertaker, shall be construed in accordance with subsection (1) of section seventeen of this Act.

(2) References in this Act to any other enactment shall be construed as references to that enactment as amended by any other enactment including this Act.

75.—(1) The provisions of this section shall have effect for the purpose of the application of this Act to Scotland. Application to Scotland.

(2) For any reference to the Minister of Health there shall be substituted a reference to the Secretary of State, for any reference to the Acquisition of Land (Authorisation Procedure) Act, 1946, there shall be substituted a reference to the Acquisition of Land (Authorisation Procedure) (Scotland) Act, 1947, and for any reference to Part IX of the Local Government Act, 1933, there shall be substituted a reference to Part XII of the Local Government (Scotland) Act, 1947. 10 & 11 Geo. 6. c. 42.

(3) The expression “ easement ” means servitude; the expression “ mortgage ” includes a heritable security; the expression “ local authority ” means a county or town council; the expression “ disclaim ” includes abandon, and the expression “ disclaimer ” shall be construed accordingly.

(4) Any reference to a Bill in Parliament shall include a reference to an order under the Private Legislation Procedure (Scotland) Act, 1936. 26 Geo. 5. & 1 Edw. 8. c. 52.

(5) Regulations under subsection (7) of section seventeen of this Act may include provision for the completion of the title of any Area Board and of the Gas Council to heritable property in Scotland vesting in them by virtue of this Act by the execution and recording in the General Register of Sasines of conveyances or instruments relating to such property.

(6) Sections twenty-two and thirty-six of this Act shall have effect as if for any reference to the Law Reform (Frustrated Contracts) Act, 1943, there were substituted a reference to the common law of Scotland with regard to the frustration of contracts.

PART IV.
—cont.

(7) Any order of the arbitration tribunal may be recorded for execution in the books of Council and Session and shall be enforceable accordingly.

17 & 18 Vict.
c. 91.

(8) It shall be the duty of the Assessor of Public Undertakings (Scotland) to ascertain and fix the value of all lands and heritages in Scotland belonging to or leased by any Area Board or the Gas Council (other than dwelling-houses or lands and heritages which are let by any such Board or the Gas Council, or are not used or adapted for use for the purposes of their functions), and for that purpose the provisions of the Lands Valuation (Scotland) Act, 1854, and the Acts amending it shall apply in like manner as that Act as so amended applies in relation to the valuation of the lands and heritages belonging to any company or body which it is the duty of the Assessor to value.

Repeal of
enactments.

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

76. As from the vesting date, the enactments mentioned in the Fourth Schedule to this Act are hereby repealed to the extent specified in the third column of that Schedule, and, where any local enactment incorporates (with or without adaptations or modifications) any provisions of the Gasworks Clauses Act, 1847, or the Gasworks Clauses Act, 1871, or contains any provisions substantially corresponding therewith, those provisions shall cease to have effect:

Provided that the repeal of any provision under which any special order or other order was made, being an order which would be applicable to an Area Board by virtue of subsection (2) of section fifty-six of this Act shall not affect that order.

Short title
and extent.

77.—(1) This Act may be cited as the Gas Act, 1948.

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

SCHEDULES.

FIRST SCHEDULE.

AREA GAS BOARDS.

Section 1.

<i>Name of Area Board.</i>		<i>Description of area.</i>
Scottish Gas Board...		Scotland.
Northern Gas Board...		Durham, Northumberland and parts of Cumberland, Westmorland and the North Riding of Yorkshire.
North-Western Board.	Gas	Lancashire and parts of Cheshire, Cumberland, Derbyshire, Shropshire, Westmorland and the West Riding of Yorkshire.
North-Eastern Board.	Gas	The East Riding of Yorkshire and parts of the North and West Ridings of Yorkshire (including York).
East Midlands Board.	Gas	Lincolnshire, Nottinghamshire, Rutland and parts of Bedfordshire, Buckinghamshire, Derbyshire, Leicestershire, Northamptonshire, Staffordshire and the West Riding of Yorkshire.
West Midlands Board.	Gas	Parts of Cheshire, Herefordshire, Leicestershire, Shropshire, Staffordshire, Warwickshire (including Birmingham) and Worcestershire.
Wales Gas Board ...		Wales and Monmouthshire.
Eastern Gas Board ...		Cambridgeshire, Huntingdonshire, the Isle of Ely, Norfolk, the Soke of Peterborough, Suffolk and parts of Bedfordshire, Buckinghamshire, Essex, Hertfordshire and Middlesex.
North Thames Board.	Gas	Parts of the administrative County of London and of Berkshire, Buckinghamshire, Essex, Hertfordshire, Middlesex and Surrey.
South Eastern Board.	Gas	Kent, and parts of the administrative County of London and of Middlesex, Surrey and Sussex.
Southern Gas Board...		Dorsetshire, Hampshire, the Isle of Wight and parts of Bedfordshire, Berkshire, Buckinghamshire, Devonshire, Hertfordshire, Northamptonshire, Oxfordshire, Somersetshire, Surrey, Sussex and Wiltshire.
South Western Board.	Gas	Cornwall (including the Isles of Scilly), Gloucestershire and parts of Berkshire, Devonshire, Herefordshire, Oxfordshire, Somersetshire, Warwickshire, Wiltshire and Worcestershire.

SECOND SCHEDULE.

Sections 25 & 43.

ISSUE OF BRITISH GAS STOCK IN SATISFACTION OF
COMPENSATION.

PART I.

*Provisions applicable to securities with values determined
before the vesting date.*

1. This part of this Schedule shall apply to securities in respect of which compensation is payable under Part II of this Act and the values of which are declared by order of the Minister to have been determined under the said Part II before the vesting date.

2. The holders of any securities to which this Part of this Schedule applies shall, by virtue of this Act, become instead on the vesting date the holders of the respective amounts of British Gas Stock to which they are entitled, and all securities to which this Part of this Schedule applies shall, by virtue of this Act, be extinguished on the vesting date.

3. The interest on the said stock shall begin to accrue as from the vesting date.

4. The regulations to be made under Part III of this Act by the Minister with the approval of the Treasury for prescribing the terms on which and the provisions in accordance with which British Gas Stock is to be issued, transferred, dealt with and redeemed, shall include provisions whereby any stock or share certificate or other document of title in force immediately before the vesting date in relation to any securities to which this Part of this Schedule applies shall be treated as applicable to any British Gas Stock created and issued by way of compensation in respect of those securities until the corresponding document is issued with respect to that stock.

5. Where the holder of any securities becomes, under this Part of this Schedule, instead the holder of British Gas Stock, he shall hold that stock in the same right and on the same trusts and subject to the same powers, privileges, charges, restraints and liabilities as those in, on or subject to which he held those securities, and any provision of any deed, will, disposition or other instrument, and any statutory provision as to what is to be done by the holder of the securities or the redemption moneys thereof, shall, with any necessary modifications, have effect in relation to the said stock or the redemption moneys thereof as it would have had effect in relation to the securities or the redemption moneys thereof if they had not been extinguished:

Provided that—

- (a) any beneficial interest of any undertaker to whom Part II of this Act applies, other than a composite company or an ancillary gas undertaker or an undertaker who is not a body corporate, in any of the said securities shall be treated as having passed to the appropriate Board and the preceding provisions of this paragraph shall have effect accordingly;

(b) nothing in this paragraph shall limit the powers of the Minister under Part III of this Act as respects the making, with the approval of the Treasury, of regulations in relation to British Gas Stock.

2ND SCH.
—cont.

6. Nothing in this Part of this Schedule affects the making of any payment or distribution by a stockholders' representative, in accordance with the provisions of Part II of this Act relating to the final payment of dividends and interest, to the holders of securities of any undertaker to whom the said Part II applies.

PART II.

Provisions applicable to other securities.

1.—(1) The provisions of this Part of this Schedule shall apply to such of the securities in respect of which compensation is payable under Part II of this Act as are not securities to which Part I of this Schedule applies.

(2) In this Part of this Schedule, the expression "the conversion date" means, in relation to any securities, such date as may be specified in relation thereto by order of the Minister, being a date as soon as conveniently may be after the compensation payable in respect of those securities has been determined.

2. During the period beginning with the vesting date and ending immediately before the conversion date, the securities to which this Part of this Schedule applies shall, notwithstanding the dissolution of the bodies by whom the securities were issued, continue to exist and may be transferred, and the Gas Council shall keep the registers or other records of the holders of those securities, but the only rights which shall attach to those securities shall be—

(a) the right to have instead British Gas Stock which attaches to the securities by virtue of the next following paragraph; and

(b) the right to the payment of interest which attaches to the securities under paragraph 5 of this Part of this Schedule;

and all other rights attaching to the securities shall, by virtue of this Act, be extinguished on the vesting date.

3. The holders of any securities to which this Part of this Schedule applies shall, by virtue of this Act, become instead on the conversion date the holders of the respective amounts of British Gas Stock to which they are entitled, and all securities to which this Part of this Schedule applies shall, by virtue of this Act, be extinguished on the conversion date.

4. Interest on the said stock shall begin to accrue as from the vesting date.

5.—(1) The Gas Council shall, on such dates as the Minister may direct, make to the persons who are, at such times as may be specified in the direction, holders of any securities to which this Part of this Schedule applies, payments of interest not exceeding the amount which, in the opinion of the Gas Council, will be found to have accrued on the British Gas Stock ultimately issued under paragraph 3 of this Part of this Schedule in satisfaction of compensation payable in respect of those securities.

2ND SCH.
—cont.

(2) If the amounts paid by the Gas Council under this paragraph in respect of any securities are equal to or greater than the amount of interest which is found to have accrued, for the period beginning with the vesting date and ending immediately before the conversion date, on the British Gas Stock created and issued as aforesaid in satisfaction of compensation payable in respect of those securities, the interest so found to have accrued shall be treated as discharged.

(3) If the amount paid as aforesaid in respect of any securities is less than the amount found to have accrued as aforesaid on the British Gas Stock created and issued as aforesaid in satisfaction of compensation payable in respect of those securities, the amount so found to have accrued shall be treated as discharged to the extent of the amount so paid and the balance shall be added to and treated as part of the interest (being interest accruing on and after the conversion date), which first falls to be paid after the conversion date on that stock.

(4) Any amount payable under sub-paragraph (1) of this paragraph which has not been paid by reason that it has not been possible to discover the person entitled thereto or that the title thereto has not been established or that a cheque or warrant issued for the purpose of making payment thereof has not been encashed shall, for the purposes of sub-paragraphs (2) and (3) of this paragraph (but not for any other purposes) be treated as paid.

6. Paragraphs 4, 5 and 6 of Part I of this Schedule shall apply for the purpose of this Part of this Schedule as if—

- (a) any reference therein to that Part of this Schedule were a reference to this Part of this Schedule; and
- (b) the reference in the said paragraph 4 to the vesting date were a reference to the conversion date.

THIRD SCHEDULE.

Section 56.

CODE OF PROVISIONS RELATING TO GAS SUPPLY.

Laying of pipes.

Power to break
up streets.

I.—(1) An Area Board, under such superintendence as is hereinafter specified, may, within their area or for the purpose of supplying gas outside their area to any person whom they are entitled to supply, or of receiving outside their area a supply of gas in bulk from any person, open and break up any street or bridge, and open and break up any sewers, drains or tunnels within or under any such street or bridge, and place pipes, conduits, service pipes, pressure governors and other works, and from time to time repair, alter or remove them and also make any sewers that may be necessary for carrying off the washings and waste liquids which may arise in the manufacture of gas, and for the purposes aforesaid may remove or use all earth and materials in or under any such street or bridge, and may in any such street erect any pillars, lamps and other works, and do all other acts which the Area Board from time to time think necessary for supplying

gas in their area or for supplying or receiving gas outside their area as aforesaid, doing as little damage as may be in the exercise of the powers hereby conferred and making compensation for any damage done in the exercise of those powers.

(2) For the purposes of this paragraph, where any street forms or abuts on the boundary of the area of an Area Board, the whole of the street shall be deemed to be within that area.

(3) Nothing in this paragraph shall empower an Area Board to lay down or place any pipe or other works into, through or against any building or in any land not dedicated to the public use, without the consent of the owners and occupiers thereof:

Provided that—

(a) an Area Board may, for the purpose of giving a supply of gas to any premises in their area which abut on a street laid out but not dedicated to the public use, exercise in relation to that street the powers conferred by the preceding subparagraphs, and for the purposes of the following provisions of this Schedule, the authority who would, if the street had been so dedicated, have been the highway authority in relation thereto shall be deemed to be (in addition to any other person) the person having the control or management of the street;

(b) an Area Board may, after giving notice in writing to the owners and occupiers of the land or building not less than seven clear days before the entry, enter upon any land (not being a street to which proviso (a) to this subparagraph applies) or building for the purpose of placing a new pipe in the place of an existing pipe which has already been lawfully placed or of repairing or altering any pipe lawfully placed, so, however, that entry may be made without such notice in cases of emergency arising from defects in any pipes, but notice shall then be given as soon as possible after the occurrence of the emergency.

2. Before an Area Board proceed to open or break up any street, bridge, sewer, drain or tunnel, they shall give to the person under whose control or management it may be, or to his clerk, surveyor or other officer, notice in writing of the Board's intention, not less than seven clear days before beginning the work, except in cases of emergency arising from defects in any pipes or other works, and then as soon as possible after the occurrence of the emergency.

Notice to person having control of street.

3. No street, bridge, sewer, drain or tunnel shall, except in the cases of emergency aforesaid, be opened or broken up except under the superintendence of the person having the control or management thereof or of his officer, and according to such plan as may be approved of by that person or his officer, or in the case of any difference arising with respect to the plan, then according to such plan as may be determined by arbitration; and the arbitrator may, on the application of the person having the control or management of any such sewer or drain or his officer, require an Area Board to

Superintendence of work.

3RD SCH.
—cont.

execute such temporary or other works as the arbitrator considers necessary for preventing any interruption of the drainage during the execution of any works which interfere with any such sewer or drain:

Provided that, if the person having such control or management as aforesaid, or his officer, fails to attend at the time fixed for the opening or breaking up of any such street, bridge, sewer, drain or tunnel after having had notice of the Area Board's intention as aforesaid, or fails to approve or propose any plan for the opening or breaking up thereof, or refuses or neglects to superintend the carrying out of the work, the Area Board may carry out the work specified in the notice without the superintendence of the said person or his officer.

Protection for
British
Transport
Commission
and other
railway and
navigation
authorities.

4.—(1) Except in cases of emergency arising from defects in any pipes or other works, a street or bridge which is under the control or management of, or maintainable by, the British Transport Commission or any other railway or navigation authority shall not be opened or broken up without the consent of the Commission or authority, but that consent shall not be unreasonably withheld, and any question whether or not consent is unreasonably withheld shall be determined by arbitration.

(2) Where an Area Board propose to open or break up any street which forms a level crossing, or crosses over or under any works of the British Transport Commission or other railway or navigation authority, and which is not under the control or management of the Commission or authority, the Board shall give to the Commission or authority the like notice as they are required by the last but one preceding paragraph to give to the person having the control or management of the street and, if and in so far as the proposed work is likely to affect the structure of any bridge or other works belonging to the Commission or authority, shall carry out the work to the reasonable satisfaction of the engineer or other authorised officer of the Commission or authority in accordance with plans approved by him; and any question arising under this subparagraph between the Area Board and the British Transport Commission or other railway or navigation authority shall be determined by arbitration.

Reinstatement.

5. When an Area Board open or break up any street, bridge, sewer, drain or tunnel, they shall with all convenient speed complete the work, fill in the ground, and reinstate or make good the street, bridge, sewer, drain or tunnel, and carry away the rubbish occasioned thereby, and shall at all times, while any street or bridge is so opened or broken up, cause it to be fenced or guarded, and cause a light sufficient for the warning of passengers to be set up and maintained at night against or near the street or bridge, and keep the street or bridge in good repair for three months after making it good, and for such further time, if any, not being more than twelve months altogether, as the soil broken up continues to subside.

Penalty for
default.

6.—(1) If an Area Board open or break up any street, bridge, sewer, drain or tunnel without giving such notice as aforesaid, or otherwise than under such superintendence as aforesaid and in accordance with a plan approved or determined as aforesaid, except

in cases in which an Area Board are authorised to perform any such work without any superintendence or notice, or if an Area Board fail to comply with any other requirement imposed by or under paragraph 3, paragraph 4 or paragraph 5 of this Schedule in connection with the opening or breaking up of any street, bridge, sewer, drain or tunnel, they shall be liable, on summary conviction, to a fine not exceeding five pounds for every such default, together with an additional sum of five pounds for each day during which the default continues after the Board have received notice thereof.

3RD SCH.
—cont.

(2) If any such default of an Area Board consists in delaying or omitting to carry out any work, the person having the control or management of the street, bridge, sewer, drain or tunnel in respect of which the delay or omission occurs, may cause the work to be carried out, and any expenses incurred in so doing may be recovered from the Area Board.

7. An Area Board may within their area place, repair, alter or remove pipes, conduits and other works for the purpose of procuring, conducting or disposing of any oil or other materials used by them in, or resulting from, the manufacture of gas or any products of or derived from such manufacture, and for any other purpose connected with the exercise and performance of the functions of the Board, and the preceding provisions of this Schedule shall apply, with the necessary modifications, to the placing, repairing, alteration and removal of pipes, conduits and works for those purposes:

Power to lay pipes for ancillary purposes.

Provided that no pipe, conduit or work shall be placed in any street under this paragraph without the consent of the persons having the control or management of the street or being responsible for the repair thereof, but such consent shall not be unreasonably withheld and any question as to whether such consent is unreasonably withheld shall be determined by arbitration.

Obligation to supply gas.

8.—(1) An Area Board shall, upon being required to do so by the owner or occupier of any premises situated within the Board's area of supply and within twenty-five yards from any main of the Board through which the Board are for the time being distributing gas, give and continue to give a supply of gas to those premises, and shall furnish and lay any pipe that may be necessary for that purpose, subject to the conditions specified in the following provisions of this paragraph:

Right to demand supply.

Provided that this provision shall not apply in relation to any main used only for the purpose of giving a separate supply of gas for industrial purposes or of conveying gas in bulk.

(2) The cost of providing and laying so much of any pipe for the supply of gas to any owner or occupier as may be laid upon the property of the owner or in possession of the occupier, not being property dedicated to public use, and of so much of any such pipe as may be laid for a greater distance than thirty feet from any pipe of the Area Board, although not on such property, shall be defrayed by the owner or occupier.

3RD SCH.
—cont.

(3) The Area Board shall carry out any necessary work of maintenance, repair or renewal of any such pipe which is provided and laid at the cost of the owner or occupier of any premises, and may recover the expenses reasonably incurred by them in so doing from the owner or occupier of the premises.

(4) Nothing in the two last preceding subparagraphs shall be taken as affecting any rights or obligations as between the owner and occupier of the premises in relation to any such pipe as aforesaid.

(5) Every owner or occupier of premises requiring under this paragraph a supply of gas shall—

- (a) serve a notice on the Area Board specifying the premises in respect of which the supply is required, and the day (not being earlier than a reasonable time after the service of the notice) upon which the supply is required to commence, and undertaking to pay the charges in respect of gas and meter rent as they become due; and
- (b) give to the Area Board (if required by them to do so) security for the payment to them of all money which may become due to them from such owner or occupier in respect of any pipe to be provided by the Board and in respect of gas to be supplied by the Board.

(6) Where an Area Board have given a supply of gas for any premises and the owner or occupier has not given such security as aforesaid, or the security given has become invalid or insufficient, the Area Board may, by notice in writing, require the owner or occupier within seven days after the service of the notice, to give them security for the payment of all money which may from time to time become due to them in respect of the supply, and if the owner or occupier fails to comply with the notice, the Board may, if they think fit, discontinue the supply for those premises so long as the failure continues.

Relief from
obligation to
supply.

9.—(1) Where a new or increased supply of gas is required under the last preceding paragraph, for purposes other than lighting or domestic use, and the supply cannot be given without the laying of a new main or the enlarging of an existing main or the constructing or enlarging of any other works required for the supply of gas by the Board, the Board shall, notwithstanding the provisions of the last preceding paragraph, not be obliged to give the supply unless the person requiring it enters into a written contract with the Board—

- (a) to continue to receive and pay for a supply of gas of such minimum quantity and for such minimum period as the Board may reasonably require, having regard to the expense to be incurred by the Board in laying or enlarging the main or constructing or enlarging the other works, or
- (b) to make such payment to the Board (in addition to any payments to be made from time to time for gas supplied) as the Board may reasonably require having regard to the matters aforesaid,

and gives to the Board (if required by them to do so) security for the payment of all money which may become due under the contract.

(2) Any question arising under the preceding subparagraph whether a supply can be given without the laying or enlarging of a main or the constructing or enlarging of other works or as to the reasonableness of the minimum quantity or period therein referred to or of the payment required by the Board or as to the nature and amount of the security to be given shall, in default of agreement, be determined by arbitration.

(3) In determining any such question, the arbitrator shall have regard to the following among other considerations, that is to say—

- (a) the total annual quantity of gas required by the applicant, the maximum quantity required per hour and the hours of the day during which the Board may be called upon to supply gas to the applicant;
- (b) the capital expenditure which the Board would have to incur in the laying of a new main or the enlarging of an existing main or the construction or enlarging of other works for the purpose of giving the supply; and
- (c) how far the capital expenditure may become unproductive to the Board in the event of the supply ceasing to be given.

10.—(1) Notwithstanding anything in any enactment a person shall not be entitled to demand or continue to receive a supply of gas from an Area Board for the purposes only of a stand-by supply for any premises having a separate supply of gas, or having a supply (in use or ready for use for the purpose for which the stand-by supply of gas is required) of electricity, steam, or other form of energy, unless he has agreed with the Board to pay them such annual sum in addition to any charge for gas supplied as will give them a reasonable return on the capital expenditure incurred by them in providing the stand-by supply, and will cover other standing charges incurred by them in order to meet the possible maximum demand for those premises.

(2) Any question arising under this paragraph—

- (a) as to whether a supply of gas is demanded or received for the purpose only of a stand-by supply; or
- (b) as to whether any premises have a separate supply of gas or have a supply (in use or ready for use for the purpose for which a stand-by supply of gas is required) of electricity, steam, or other form of energy; or
- (c) as to the amount of the said annual sum to be specified in the agreement;

shall in default of agreement be determined by arbitration.

11. An Area Board shall within their area supply gas to any public lamps within fifty yards from any of the mains of the Board, except any main used for the purpose of giving a separate supply of gas for industrial purposes only or of conveying gas in bulk, in such quantities as the lighting authority may from time to time require to be supplied.

12. If an Area Board fail to give a supply of gas to any owner or occupier of premises entitled to such a supply, or to supply gas to any public lamps to which they are required to supply gas, the

3RD SCH.
—cont.

Board shall, unless the failure was due to circumstances not within their control, be liable, on summary conviction, to a fine not exceeding forty shillings for each day during which the default continues.

Meters and fittings.

Consumption
of gas to be
ascertained
by meter.

13. Every consumer of gas supplied by an Area Board (other than gas supplied to public lamps) shall, if required to do so by the Board, take his supply through a meter duly stamped in accordance with this Act, and the Board shall supply, either by way of sale or hire, to any owner or occupier of premises who requires it a meter for ascertaining the quantity of gas supplied by them and any meter so supplied by the Board shall be either a prepayment meter or an ordinary meter, as the consumer may require:

Provided that the owner or occupier shall, if so required by the Board, before receiving the meter, give to the Board security for payment to them of the price of the meter, if he desires to purchase it, or of the rent of the meter, if he desires to hire it.

Meters to be
kept in
proper order.

14.—(1) Every consumer shall at all times, at his own expense, keep all meters belonging to him, whereby the quantity of gas supplied by an Area Board is registered, in proper order for correctly registering the quantity of gas, and in default of his so doing the Board may cease to supply gas through that meter.

(2) The Board shall at all times at their own expense, keep all meters let for hire by them to any consumer in proper order for correctly registering the quantity of gas supplied, and in default of their so doing the consumer shall not be liable to pay rent for the meter in respect of the period of the default.

(3) The Board shall have access to and be at liberty to remove, inspect and replace any meter at all reasonable times, and shall, while any such meter is removed, fix a substituted meter on the premises, and, subject to the next following subparagraph, the cost of removing, inspecting and replacing a meter and of fixing a substituted meter shall be defrayed by the Board.

(4) Where a meter is removed for the purpose of being examined by a meter examiner in accordance with this Act, the person at whose request the examination is to be carried out shall, unless the meter is found to register erroneously to a degree exceeding the degree permissible under the regulations for the time being in force, defray the expenses incurred in removing, examining and replacing the meter and fixing a substituted meter, and the said expenses shall, if the meter is found to register erroneously as aforesaid, be defrayed by the owner of the meter.

Placing of
meters in new
premises.

15.—(1) Every meter to be used in a building not previously supplied with gas or in connection with a new or substituted pipe laid between the main and the meter shall be placed as near as practicable to the main, but within the outside wall of the building:

Provided that, in the case of any building in connection with which there is provided for the meter outside the building a separate meter house or other accommodation reasonably approved by the Area Board, the meter may be placed in such meter house or other accommodation.

(2) If the requirements of this paragraph are not complied with, the Board may refuse to supply gas to the premises until those requirements have been complied with.

3RD SCH.
—cont.

16. Where gas is supplied through a meter, the register of the meter shall be prima facie evidence of the quantity of gas supplied: Meter to be evidence of quantity of gas supplied.

Provided that where a meter is found, when examined by a meter examiner appointed under this Act, to register erroneously to a degree exceeding the degree permissible under the regulations for the time being in force—

- (a) the meter shall be deemed to have registered erroneously to the degree so found since the penultimate date on which the register of the meter was ascertained before the date of the test, except in a case where it is proved to have begun to register erroneously as aforesaid on some later date; and
- (b) the amount of the allowance to be made to, or the surcharge to be made upon, the consumer by the Area Board in consequence of the erroneous registration shall be paid to or by the consumer, as the case may be, and shall, in the case of a surcharge, be recoverable in like manner as charges for gas are recoverable by the Area Board.

17.—(1) Every Area Board shall, as soon as practicable after the passing of this Act, fix maximum prices at which gas supplied by them may be resold, and may from time to time vary any prices so fixed, and shall publish the prices so fixed and any variation thereof in such manner as in their opinion will secure adequate publicity therefor. Maximum charges for reselling gas supplied by Area Boards.

(2) Different prices may be fixed under this paragraph in different classes of cases which may be defined by reference to areas, tariffs applicable to gas supplied by the Area Board in question, or any other relevant circumstances.

(3) If any person resells any gas supplied by an Area Board at a price exceeding the maximum price fixed under this paragraph and applicable thereto, the amount of the excess shall, if it does not exceed twenty pounds, be recoverable summarily as a civil debt by the person to whom the gas was resold and, in any case, shall be recoverable by him in any court of competent jurisdiction.

18. An Area Board shall, in the case of any alteration in the calorific value declared in respect of any gas supplied by them, take at their own expense such steps as may be necessary to alter, adjust or replace the burners in the appliances of consumers of that gas in such manner as to secure that the gas can be burned with safety and efficiency: Alteration and replacement of burners on change of calorific value.

Provided that in the case of any consumer who objects thereto the Board shall not carry out any such alteration, adjustment or replacement except where in the opinion of the Board such alteration, adjustment or replacement is necessary in the interests of safety.

3RD SCH.

—cont.

Ascertainment
and regulation
of gas
consumed by
public lamps.

19.—(1) The gas supplied by an Area Board to public lamps shall at the option either of the lighting authority or the Area Board, be supplied through a meter duly stamped in accordance with this Act, and, if the gas is so supplied, the Board shall provide and fix the meter, and the cost of the meter and the expense of fixing it shall be defrayed by the party requiring the meter and the meter shall be the property of the party paying the cost thereof.

(2) If the gas is supplied to the public lamps of any lighting authority by average meter indication, the Area Board shall, for securing uniformity of consumption between metered and unmetered lamps, from time to time provide the public lamps of that authority with proper self-acting pressure regulators and burners to the satisfaction of the authority, and the average amount of the indications of all the meters attached to the lamps of that authority shall, except as hereinafter mentioned, be deemed to be the amount consumed by each such lamp.

Street lamp
governors.

20. Where gas is supplied to public lamps, the lighting authority or the Area Board may, at their own expense, cause to be affixed to each lamp the instrument known as a street lamp governor, and the Board or the authority (as the case requires) shall be entitled to have access thereto for the purpose of examining the same.

Settlement of
differences.

21. Any difference which may arise between an Area Board and any lighting authority in relation to the consumption of gas by public lamps maintained by the authority shall be settled by arbitration.

Recovery of gas charges, etc.

Recovery of
charges.

22. Any charges in respect of gas and any meter rent due to an Area Board and any charges due to an Area Board in respect of the supplying and fixing of any meter or fittings shall, if the amount due does not exceed twenty pounds, be recoverable by the Board summarily as a civil debt and, in any case, shall be recoverable in any court of competent jurisdiction.

New occupier
not to be
liable for
arrears.

23. If the occupier of any premises, being premises supplied with gas by an Area Board, quits the premises without paying any amount due from him in respect of charges for gas or meter rent, the Area Board shall not be entitled to require from the next occupier of the premises the payment of the amount due, unless that occupier has undertaken with the former occupier to pay or exonerate him for the payment of that amount.

Liability of
occupier on
quitting
premises.

24.—(1) If the occupier of any premises, being premises supplied with gas by meter by an Area Board, quits the premises without giving notice thereof in writing to the Board so that it is received by the Board at least twenty-four hours before he quits the premises, he shall be liable to pay to the Board all charges accruing due for gas supplied by them to the premises and meter rent up to the next date on which the register of the meter on the premises is usually ascertained, or the date from which any subsequent occupier of the premises requires the Board to supply gas to the premises, which ever first occurs.

(2) The preceding subparagraph or a statement of the effect thereof shall be endorsed upon every demand note for gas charges payable to the Board.

3RD SCH.
—cont.

25. If a person requiring a supply of gas from an Area Board has previously quitted premises at which gas was supplied to him by that Board without paying all money due from him in respect of charges for gas and meter rent, the Board may refuse to furnish him with a supply of gas until he pays the money so due.

Refusal of supply to person in default.

26.—(1) If any person has not, after the expiration of twenty-eight days from the making of a demand in writing by the Area Board for payment thereof, paid the charges due from him in respect of gas supplied by an Area Board to any premises, the Board, after the expiration of not less than seven days' notice in writing of their intention, may cut off the supply from the premises by disconnecting the service pipe at the meter (whether the pipe belongs to the Board or not) or by such other means as they think fit, and any expense incurred in cutting off the supply shall be recoverable in like manner as charges for gas.

Power to cut off supply in case of default.

(2) Where an Area Board have cut off the supply of gas from any premises in consequence of any default on the part of the occupier thereof, the Board shall not be under any obligation to resume the supply of gas to the occupier so in default until he has made good the default and paid the reasonable expenses of reconnecting the supply, but subject as aforesaid, nothing in this paragraph shall prejudice or interfere with any rights conferred upon any person by paragraph 8 of this Schedule.

Use of antifluctuators and valves.

27.—(1) Where a consumer of gas supplied by an Area Board uses the gas for working or supplying an engine, gas compressor or other similar apparatus or any apparatus liable to produce in any main of the Board a pressure less than atmospheric pressure (any such engine, compressor or apparatus being hereafter in this paragraph referred to as a "compressor"), he shall, if so required by the Board by notice in writing, fix in a suitable position and keep in use an appliance provided by him which will effectually prevent pressure fluctuation in the supply mains and any other inconvenience or danger being caused to other consumers of gas by reason that they and the first mentioned consumer are supplied with gas from the same source.

Antifluctuators and valves.

(2) Where a consumer of gas supplied by an Area Board uses for or in connection with the consumption of the gas so supplied any air at high pressure (in this paragraph referred to as "compressed air") or any gas not supplied by the Board (in this paragraph referred to as "extraneous gas"), he shall, if so required by the Board by notice in writing, fix in a suitable position and keep in use an appliance provided by him which will effectually prevent the admission of the compressed air or extraneous gas into the service pipe or into any main through which gas is supplied by the Board.

3RD SCH.
—cont.

(3) Where a consumer is required by this paragraph to keep in use any appliance, he shall at his own expense keep it in proper order and repair, and repair, renew or replace it if it is not in proper order or repair.

(4) It shall not be lawful for a consumer of gas supplied by an Area Board to use a compressor, or any apparatus for using compressed air or extraneous gas, being a compressor or apparatus installed by him after the first day of October, nineteen hundred and thirty four, unless he has given to the Board not less than fourteen days' notice in writing of his intention to do so.

(5) If a consumer makes default in complying with any provision of this paragraph, the Board may cut off the supply of gas to him and shall not be required to resume the supply until the default has been remedied to their reasonable satisfaction.

(6) An Area Board shall give notice of the effect of the preceding provisions of this paragraph to persons becoming consumers of gas supplied by them, on the first such demand note delivered to that person after he has become a consumer.

(7) An Area Board shall have access at all reasonable times to any premises supplied by them with gas upon which the Board have reason to believe that a compressor or compressed air or extraneous gas is being used, in order to ascertain whether the provisions of this paragraph are being complied with.

(8) An Area Board shall have power to disconnect, remove, test and replace any appliance which a consumer of gas supplied by them is required by this paragraph to keep in use, and any expenses incurred by the Board under this subparagraph shall, if the appliance is found in proper order and repair, be paid by the Board but otherwise shall be paid by the consumer.

Penalties.

Improper use
of gas.

28. If any person supplied with gas by an Area Board improperly uses or deals with the gas so as to interfere with the efficient supply of gas by the Board to any consumer, the Board may, if they think fit, cease to supply gas to that person.

Injury to pipes
and fittings
and interference
with meters.

29.—(1) If any person wilfully, fraudulently, or by culpable negligence, injures or suffers to be injured any pipes, meter or fittings belonging to an Area Board, or alters the index to any meter, or prevents any meter from duly registering the quantity of gas supplied or fraudulently abstracts, consumes or uses gas of the Board, he shall (without prejudice to any other right or remedy for the protection of the Board or the punishment of the offender) be liable for each offence on summary conviction to a fine not exceeding five pounds.

(2) The prosecution of any such offence shall not prevent the Board from recovering the amount of any damage caused to them by the offence, and, if the offence involves any injury to or interference with any pipes, meter or fittings belonging to the Board, the Board may also, until the matter has been remedied, but no longer, discontinue the supply of gas to the person so offending (notwithstanding any contract previously existing).

3RD SCH.
—cont.

(3) The existence of artificial means for causing an alteration of the index to any meter or the prevention of any meter from duly registering, or for abstracting, consuming or using gas of the Board, when the meter is under the custody or control of the consumer, shall be prima facie evidence that the alteration, prevention, abstraction or consumption, as the case may be, has been fraudulently and wilfully caused by the consumer using the meter.

30. If any person, without the consent of the Area Board, reconnects with a meter a service pipe which has been disconnected by the Board, he shall for each offence be liable on summary conviction to a fine not exceeding five pounds, and to a further fine not exceeding two pounds for each day during which the pipe remains connected with the meter after conviction and the Board may again disconnect the pipe at the meter. Reconnecting of service pipe.

31. No person shall connect any meter with a service pipe through which gas is supplied by an Area Board or disconnect any meter from any such pipe, unless he has given to the Board not less than twenty-four hours' notice in writing of his intention to do so, specifying the time and place of the proposed connection or disconnection, and if any person acts in contravention of this provision, he shall be liable for each offence on summary conviction to a fine not exceeding two pounds. Notice of connection or disconnection of service pipe.

32.—(1) If an Area Board cause or permit to be brought or to flow into any river, stream, aqueduct or inland water or drain communicating therewith any waste product or other substance produced in making or supplying gas, or wilfully do any other act connected with the manufacture or supply of gas whereby the water in any river, stream, aqueduct or inland water is fouled, the Board shall be liable— Pollution of inland waters.

(a) on summary conviction, to a fine not exceeding fifty pounds and to a further fine not exceeding ten pounds for each day during which the act constituting the offence continues after the expiration of twenty-four hours from the service of notice on the Board that it is being committed; or

(b) on conviction on indictment, to a fine not exceeding two hundred pounds and to a further fine not exceeding twenty pounds for each such day as aforesaid.

(2) If any water is fouled by the gas of an Area Board, they shall be liable, on summary conviction, to a fine not exceeding twenty pounds, and an additional sum not exceeding ten pounds for each day during which the act constituting the offence continues after the expiration of twenty-four hours from the service of notice on the Board that it is being committed.

(3) Nothing in this paragraph shall apply to any water undertakers to whom Part XIV of the Third Schedule to the Water Act, 1945, applies. 8 & 9 Geo. 6.
c. 42.

33. Where any gas escapes from any pipe of an Area Board, they shall, immediately after receiving notice thereof in writing, prevent the gas from escaping, and if they fail within twenty-four hours from the service of the notice effectually to prevent the gas from escaping, they shall be liable, on summary conviction, to a fine not exceeding five pounds for each day during which the gas continues to escape after the expiration of the said twenty-four hours. Escape of gas.

3RD SCH.

—cont.

Entry for
purposes of
inspection.

General.

34.—(1) Any officer authorised by an Area Board may at all reasonable times on the production of some duly authenticated document showing his authority, enter any premises in which there is a service pipe connected with the gas mains of the Board, in order to inspect the meters, fittings and works for the supply of gas, or for the purpose of ascertaining the quantity of gas consumed or supplied, except in a case where the occupier of the premises has applied in writing to the Board for the disconnection of the service pipe from the mains and the Board have failed to disconnect it within a reasonable time.

(2) The powers of inspection aforesaid shall, in relation to any premises or part of any premises which are or is wholly occupied as a factory within the meaning of the Factories Act, 1937, extend only to the inspection of—

- (a) such of the meters on the premises, or on that part of the premises, as the case may be, as are used by the Board for measuring gas supplied by them; and
- (b) the pipes and other fittings and works by which those meters are connected with the gas mains of the Board.

35.—(1) Where—

- (a) a person occupying premises supplied with gas by an Area Board ceases to require such a supply; or
- (b) a person entering into the occupation of any premises previously supplied with gas by an Area Board does not take a supply of gas from the Board or hire such of the pipes, meters, fittings or apparatus on the premises as belong to the Board; or
- (c) an Area Board are authorised to cut off the supply of gas from any premises,

it shall be lawful for an officer authorised by the Board after twenty-four hours' notice to the occupier under the hand of an officer so authorised, or if the premises are unoccupied to the owner or lessee of the premises, to enter the premises at all reasonable times for the purpose of removing and to remove any pipes, meters, fittings or apparatus, through which the supply was given to the first-mentioned premises.

(2) The notice required to be given by the last preceding subparagraph may, in the case of unoccupied premises, the owner or lessee of which is unknown to the Area Board and cannot be ascertained after diligent inquiry, be given by affixing it upon a conspicuous part of the premises not less than forty-eight hours before the premises are entered.

(3) Where an Area Board have reasonable cause to suspect that gas is escaping in any premises it shall be lawful for an officer authorised by the Board to enter the premises for the purpose of inspecting the gas fittings and preventing the escape and to inspect such fittings and carry out any work necessary to prevent such escape.

1 Edw. 8 &
1 Geo. 6. c. 67.

Entry for
purposes of
removing
pipes, etc. on
discontinuance
of supply.

36. Where, in pursuance of any powers conferred by this Schedule, entry is made on any premises by an officer of an Area Board, the officer shall ensure that the premises are not left less secure by reason of the entry, and the Board shall make good or pay compensation for any damage caused by the officer in entering the premises, in carrying out any inspection or work therein or in making the premises secure.

3RD SCH.

—cont.

Premises to be left secure and damage to be made good.

37. If any person obstructs any officer exercising powers under either of the three last preceding paragraphs or any other power of entry conferred by this Schedule, he shall be liable on summary conviction to a fine not exceeding five pounds.

Penalty for obstruction.

38. Any gas fittings let for hire by an Area Board and marked or impressed with a sufficient mark or brand indicating the Board as the owners thereof—

Gas fittings not to be subject to distress.

(a) shall not be subject to distress or to the landlord's remedy for rent or be liable to be taken in execution under process of any court or any proceedings in bankruptcy against the person in whose possession they may be; and

(b) shall not be deemed to be landlord's fixtures, notwithstanding that they may be fixed or fastened to any part of the premises in which they may be situated.

39.—(1) Where any security is required by the provisions of this Schedule to be given to an Area Board, the security may be by way of deposit or otherwise, and of such amount as the person required to give the security and the Board may agree on or as, in default of such agreement, may be determined by arbitration.

Provisions as to security.

(2) Where any money is deposited with an Area Board by way of such security as aforesaid, the Board shall pay interest at such rate as may from time to time be fixed by order of the Minister made with the approval of the Treasury, on every sum of ten shillings so deposited for every six months during which it remains in the hands of the Board.

40. Where under any provision in this Schedule the determination of any question is referred to arbitration, the reference shall be to a single arbitrator to be appointed by agreement between the parties or, in default of agreement, by the Minister.

Arbitration.

41. Every Area Board shall keep in their principal office copies of all local enactments which apply to the Board, and they shall be available for public inspection at all reasonable hours and any person shall be entitled during those hours to take copies thereof and extracts therefrom.

Copies of enactments to be available for inspection.

42. Nothing in this Act shall exonerate an Area Board from any indictment, action, or other proceeding for any nuisance caused by them.

Nuisance.

43. Nothing in this Schedule shall be deemed to exempt an Area Board from the provisions of an Act passed in the fifty-seventh year of the reign of His late Majesty King George the Third intituled an

Saving for 57 Geo. 3. c. xxix.

3RD SCH.
—cont.

Act for better paving, improving and regulating the streets of the metropolis and removing and preventing of nuisance and obstructions therein.

Restriction on works in, under or over the sea and other waters and foreshore.

44. An Area Board shall not construct any works in, under or over the sea or any tidal waters or navigable river, or the seashore below the high water mark of ordinary spring tides, except with the previously obtained consent in writing of the Minister of Transport, which may be given subject to such conditions as the Minister of Transport may think fit; and if any Area Board contravene the provisions of this paragraph the Minister of Transport may remove any works so constructed and the expenses incurred in so doing shall be recoverable by him from the Board.

Justices and judges not to be disqualified.

45. No justice of the peace or judge of any court shall be disqualified from acting in cases arising under this Schedule by reason only of his being liable to the payment of any charges for gas or other charges under this Act.

Interpretation.

46. In this Schedule

the expression "street" includes any square, court, alley, highway, road, lane, thoroughfare, or public passage or place;

the expression "lighting authority", in relation to any public lamps, means the public or local authority by or for whom the lamps are maintained;

the expression "navigation authority" means any person or body of persons, whether incorporated or not, authorised by or under an enactment to work, maintain, conserve, improve or control any canal or other inland navigation, navigable river, estuary, harbour or dock; and

the expression "railway authority" means any person or body of persons, whether incorporated or not, authorised by an enactment to construct, work or carry on a railway.

Application to Scotland.

47. In the application of this Schedule to Scotland—

(a) for any reference to Part XIV of the Third Schedule to the Water Act, 1945, there shall be substituted a reference to Part VIII of the Fourth Schedule to the Water (Scotland) Act, 1946, and for any reference to distress there shall be substituted a reference to poinding;

(b) any provision with regard to recovery summarily as a civil debt of any sum shall have effect as if the word "summarily" were omitted.

FOURTH SCHEDULE.

ENACTMENTS REPEALED

Section 76

Session and Chapter.	Short Title.	Extent.
10 & 11 Vict. c. 15.	Gasworks Clauses Act, 1847.	The whole Act.
22 & 23 Vict. c. 66.	Sale of Gas Act, 1859 ...	The whole Act.
23 & 24 Vict. c. 146.	Sale of Gas Act, 1860 ...	The whole Act.
27 & 28 Vict. c. 96.	Sale of Gas (Scotland) Act, 1864.	The whole Act.
33 & 34 Vict. c. 70.	Gas and Water Works Facilities Act, 1870.	The whole Act.
34 & 35 Vict. c. 41.	Gasworks Clauses Act, 1871.	The whole Act.
36 & 37 Vict. c. 89.	Gas and Water Works Facilities Act, 1870, Amendment Act, 1873.	The whole Act.
38 & 39 Vict. c. 55.	Public Health Act, 1875.	In section 161, the words from "where there is not any company or person" to the end of the section. Section 162.
39 & 40 Vict. c. 49.	Burghs Gas Supply (Scotland) Act, 1876.	The whole Act.
41 & 42 Vict. c. 49.	Weights and Measures Act, 1878.	Section 66.
51 & 52 Vict. c. 41.	Local Government Act, 1888.	In paragraph (xiii) of section 3, the words "and to gas meters". Paragraph (e) of subsection (3) of section 34. Paragraph (d) of subsection (1) of section 39.
52 & 53 Vict. c. 21.	Weights and Measures Act, 1889.	Section 15.
52 & 53 Vict. c. 50.	Local Government (Scot- land) Act, 1889.	In section 11 the words "to gas meters".
55 & 56 Vict. c. 55.	Burgh Police (Scotland) Act, 1892.	In section 99 the words from "The Gasworks Clauses Act, 1847" to the end of the section; sections 102 and 103.
56 & 57 Vict. c. 52.	Burghs Gas Supply (Scotland) Act, 1893.	The whole Act.
63 & 64 Vict. c. 49.	Town Councils (Scot- land) Act, 1900.	In section 8, the word "gas" in both places where it occurs.

4TH SCH. —cont.	Session and Chapter.	Short Title.	Extent.
	63 & 64 Vict. c. cclxxii.	Metropolis Gas (Prepay- ment Meter) Act, 1900.	The whole Act.
	6 & 7 Geo. 5. c. 25.	Gas (Standard of Calorific Power) Act, 1916.	The whole Act.
	8 & 9 Geo. 5. c. 45.	Burghs Gas Supply (Scotland) Amendment Act, 1918.	The whole Act.
	10 & 11 Geo. 5. c. 28.	Gas Regulation Act, 1920.	The whole Act.
	19 & 20 Geo. 5. c. 24.	Gas Undertakings Act, 1929.	The whole Act.
	22 & 23 Geo. 5. c. 40.	Gas Undertakings Act, 1932.	The whole Act.
	22 & 23 Geo. 5. c. lxiii.	Kettering Gas Act, 1932.	Section 6.
	23 & 24 Geo. 5. c. xliii.	Commercial Gas Act, 1933.	The whole Act.
	23 & 24 Geo. 5. c. lxxi.	Gas Light and Coke Com- pany's Act, 1933.	Section 4.
	24 & 25 Geo. 5. c. xvi.	South Metropolitan Gas (No. 1) Act, 1934.	The whole Act.
	24 & 25 Geo. 5. c. xvii.	Brighton, Hove and Worthing Gas Act, 1934.	The whole Act.
	24 & 25 Geo. 5. c. 28.	Gas Undertakings Act, 1934.	The whole Act.