

SCHEDULE 1

Supplies and emissions

SECTION 5

Deductions from supplies

Occupation of premises

- 16.**—(1) Sub-paragraph (2) applies where—
- (a) A has an unconsumed supply; and
 - (b) that unconsumed supply is consumed by a person (“B”) in respect of premises which B occupies with the permission of A.
- (2) Subject to sub-paragraph (3), paragraphs 14(3) and 15(3) do not apply to an unconsumed supply to which sub-paragraph (1) applies.
- (3) Sub-paragraph (2) does not apply where—
- (a) B is a Northern Ireland Department which occupies premises with the permission of A, and A is another Northern Ireland Department; or
 - (b) B has entered into a construction lease with A in respect of the premises described in paragraph (1)(b).
- (4) A “construction lease” is a lease entered into between A and B for a minimum period of 30 years where—
- (a) B covenants—
 - (i) to obtain all necessary consents and approvals and to erect fencing or erect a building on the premises within a period of not more than 2 years from the lease commencement date;
 - (ii) to install all necessary gas, electricity and water supplies to the premises to comply with statutory requirements within a period of not more than 2 years from the lease commencement date; and
 - (iii) if required by A, to remove any buildings or works constructed by B on the premises at termination of the lease; and
 - (b) A covenants to compensate B for any improvements made to the premises by B during the period of the lease.