*Draft Order laid before Parliament under section 143(8) of the Local Government Finance Act 1988 for approval by resolution of each House of Parliament.*

DRAFT STATUTORY INSTRUMENTS

# 2000 No.

# RATING AND VALUATION, ENGLAND

## The Electricity Supply Industry (Rateable Values) (England) Order 2000

| | |
|---|---|
| *Made - - - -* | *2000* |
| *Coming into force* | |
| *for all purposes other than those of article 11* | *2000* |
| *for the purposes of article 11* | *1st April 2000* |

The Secretary of State for the Environment, Transport and the Regions, in exercise of the powers conferred on him by section 143(1) and (2) of, and paragraph 3(1) to (4) of Schedule 6 to, the Local Government Finance Act 1988(**1**), and of all other powers enabling him in that behalf, hereby makes the following Order, a draft of which has been laid before, and approved by resolution of, each House of Parliament:

## PART I

## PRELIMINARY

### Citation, commencement and extent

**1.** This Order, which extends to England only, may be cited as the Electricity Supply Industry (Rateable Values) (England) Order 2000 and shall come into force—

(a) for all purposes other than those of article 11, on the day after the day on which it is made; and

(b) for the purposes of article 11, on 1st April 2000.

(**1**) 1988 c. 41. Section 143(2) is amended by paragraph 72(2) of Schedule 5 to the Local Government and Housing Act 1989 (c. 42). Paragraph 3(1) of Schedule 6 is amended, and paragraphs 3(3) and 3(4) inserted, by paragraph 38(12) and (14) of Schedule 5 to the 1989 Act; and is also amended by section 2 of the Local Government and Rating Act 1997 (c. 29) See section 146(6) for the definition of "prescribed". These powers are devolved, in relation to Wales, to the National Assembly for Wales by the National Assembly for Wales (Transfer of Functions) Order 1999 (S.I.1999/672); see the reference to the Local Government Finance Act 1988 in Schedule 1.

**Interpretation and application**

**2.**—(1) In this Order—

"the Act" means the Local Government Finance Act 1988; and

"year" means a chargeable financial year.

(2) This Order applies for the purposes of non-domestic rating lists compiled on 1st April 2000.

**Rounding of numbers**

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

(a) if the fraction would exceed 50p it shall be made up to one pound;

(b) if the fraction would be 50p or less it shall be ignored.

# PART II

## ELECTRICITY GENERATION

**Interpretation of Part II**

**4.** In this Part—

"declared net capacity", in relation to generating plant, means the highest generation of electricity at the generator terminals which can be maintained indefinitely without causing damage to the plant, less so much of that generation as is consumed by the plant, expressed in megawatts to the nearest one hundredth part of a megawatt and calculated on the following assumption:

(a) in relation to generating plant the sole or primary source of energy for which is wind power, that the wind speed is sufficient to power the generating plant at its highest generation of electricity;

(b) in relation to generating plant the sole or primary source of energy for which is water power, that the water flow is sufficient to power the generating plant at its highest generation of electricity; and

(c) in any other case, that—

(i) the temperature of the water (if any) entering the cooling system is—

(aa) 19 degrees Celsius, where the water is circulated on the hereditament for re-use in the cooling system, or

(bb) 10 degrees Celsius in any other case, and

(ii) in so far as they affect the generating plant—

(aa) the air temperature is 10 degrees Celsius,

(bb) the air pressure is 1013 millibars, and

(cc) water is available at all times in adequate quantities; and

"generating plant", in relation to a hereditament, means plant in or on the hereditament which is used or available for use for the purposes of generating electricity.

**Application**

**5.**—(1) This article applies to the class of hereditaments in relation to which the conditions in paragraph (2) are fulfilled.

(2) The conditions mentioned in paragraph (1) are that—

(a) the hereditament is entered on a local non-domestic rating list for the area of a billing authority in England;

(b) the hereditament comprises land, plant or buildings used or available for use for the purpose of generating electricity (other than by means of the burning of waste unless the waste is animal litter), where such use is the sole or primary function of the hereditament; and

(c) the generating plant in or on the hereditament—

(i) uses wind or water power as its primary source of energy, or

(ii) has a declared net capacity of 500 kilowatts or more.

(3) In determining whether the primary function of a hereditament is for the purpose of generating electricity, no account shall be taken of so much of any heat produced in or on the hereditament as is produced other than for the purpose of the generation of electricity.

**Rateable values**

**6.**—(1) In the case of a hereditament to which article 5 applies, paragraphs 2 to 2C of Schedule 6 to the Act(**2**) shall not apply, and its rateable value, in relation to any year during which the relevant list has effect, shall be an amount equal to the applicable amount.

(2) The applicable amount for the purpose of paragraph (1) is the amount produced by applying the formula

M×DNC

, where—

M is the amount set out in column (2) of the following Table in relation to the sole or primary source of energy used by that generating plant, set out in column (1), and

DNC is the declared net capacity of the generating plant in or on the hereditament (expressed to the nearest hundredth part of a megawatt).

**TABLE**

| *(1)*<br>*Sole or primary source of energy* | *(2)*<br>*£ per megawatt* |
|---|---|
| The burning of coal | 9,500 |
| The burning of oil | 5,000 |
| The burning of natural gas where a steam turbine is used for the purposes of the generating process | 9,500 |
| The burning of natural gas where a steam turbine is not used for the purposes of the generating process | 5,000 |

(**2**) Paragraph 2 is amended and paragraphs 2A and 2B inserted by paragraph 38(3) to (11) of Schedule 5 to the Local Government and Housing Act 1989. Paragraph 2C is inserted by section 2 of the Local Government and Rating Act 1997 (c. 29).

| *(1)*<br>*Sole or primary source of energy* | *(2)*<br>*£ per megawatt* |
|---|---|
| Nuclear fission produced by a Magnox reactor | 6,000 |
| Nuclear fission not produced by a Magnox reactor | 14,000 |
| Wind power | 5,000 |
| Water power | 9,500 |
| The burning of energy crops or animal litter | 8,900 |
| The burning of gas from a landfill site | 5,000 |
| Any source of energy not listed above, other than the burning of waste | 5,000 |

(3) In this article "the relevant list" means the local non-domestic rating list compiled on 1st April 2000 in which the hereditament in question falls to be shown.

# PART III

## ELECTRICITY TRANSMISSION AND DISTRIBUTION

**Interpretation**

**7.**—(1) In this Part—

"Central Lists Regulations" means the Central Rating Lists (England) Regulations 2000(**3**);

"the central list" means the central non-domestic rating list for England compiled on 1st April 2000;

"class of hereditaments" means the hereditaments falling to be shown in the central list in relation to a designated person by virtue of regulation 4 of and Part 2 of the Schedule to the Central Lists Regulations(**4**);

"designated person" means a person designated by regulation 3(1) of and named in Part 2 of the Schedule to the Central Lists Regulations;

"recalculation factor" in relation to a class of hereditaments means the factor determined in relation to that class in accordance with article 9 or 10, as the case may be;

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

"standard formula" in relation to a class of hereditaments means the formula

T+U,

where—

a T is the amount specified in the Schedule to this Order in relation to that class; and

b U is the recalculation factor applicable to that class in respect of the relevant year.

(**3**) S.I. 2000/ .
(**4**) Regulation 4 is made under section 53(2) of the Local Government Finance Act 1988.