

2003 No. 77

RATES

Valuation (Electricity) Order (Northern Ireland) 2003

Made - - - - - 14th February 2003

Coming into operation 1st April 2003

*To be laid before Parliament under paragraph 7(3) of the
Schedule to the Northern Ireland Act 2000*

The Department of Finance and Personnel(a), in exercise of the powers conferred on it by Articles 2(2)(b) and 39C of the Rates (Northern Ireland) Order 1977(c) and of every other power enabling it in that behalf, and after consultation with such associations of district councils, district councils and holders of licences or exemptions under Part II of the Electricity (Northern Ireland) Order 1992(d) as the Department considers appropriate, hereby makes the following Order:

**PART I
PRELIMINARY**

Citation and commencement

1. This Order may be cited as the Valuation (Electricity) Order (Northern Ireland) 2003 and shall come into operation on 1st April 2003.

Interpretation

2. In this Order –

“the Company” means Northern Ireland Electricity plc;

“declared net capacity”, in relation to generating plant, means the highest generation of electricity (at the main alternator terminals) which can be maintained indefinitely without causing damage to the plant, less so much of that capacity as is consumed by the plant, expressed in megawatts to the nearest one hundredth part of a megawatt;

“the Electricity Order” means the Electricity (Northern Ireland) Order 1992;

“exemption” means an exemption under Part II of the Electricity Order;

(a) Formerly the Department of Finance. See S.I. 1982/338 (N.I. 6) Article 3

(b) See the definition of “the Department”

(c) S.I. 1977/2157 (N.I. 28); Article 39C was inserted by paragraph 17 of Schedule 12 to the Electricity (Northern Ireland) Order 1992 (S.I. 1992/231 (N.I. 1))

(d) S.I. 1992/231 (N.I. 1)

“generate”, in relation to electricity, means generate for the purpose of giving a supply of electricity to any premises or enabling a supply of electricity to be so given;

“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;

“licence” means a licence under Part II of the Electricity Order;

“supply” and “transmit”, in relation to electricity, have the meanings assigned to them by Article 3 of the Electricity Order;

“relevant year” means any year for which a net annual value falls to be determined in accordance with this Order; and

“relevant preceding year” means the year immediately preceding a relevant year.

PART II ELECTRICITY GENERATION

Application

3.—(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 occupied by a holder of a licence or exemption where the licence or exemption authorises the holder to generate electricity but not to supply or (in the case of a licence) to transmit electricity;

(b) the hereditament comprises land, plant or buildings used or available for use for the purpose of generating electricity,

where –

(i) such use is its sole or primary function; or

(ii) the primary source of energy in such generation is the burning of refuse; and

(c) the generating plant –

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

(ii) has a declared net capacity of 100 kilowatts or more, or, in a case where its primary source of energy is the burning of refuse and sub-paragraph (b)(i) does not apply, a declared net capacity of 25 megawatts 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.

Net annual values

4. In the case of a hereditament falling within the class to which Article 3 applies, its net annual value for the year ending on 31st March 2004 and for each subsequent year shall be an amount produced by applying the formula –

$$M \times DNC$$

where –

M is the amount set out in column 2 of the following Table in relation to the source of energy set out in column 1 thereof which is used by the generating plant in or on the hereditament; 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) on 1st April in the

relevant year, or in the event of a change in the source of energy during the relevant year, the date when that change takes place.

TABLE

1	2
<i>Source of energy</i>	<i>£ per megawatt</i>
The burning of coal	5,000
The burning of oil	5,000
The burning of natural gas where a steam turbine is used for the purposes of the generating process	7,700
The burning of natural gas where a steam turbine is not used for the purposes of the generating process	5,000
Wind Power	4,000
Water Power	4,000
Any source of energy not listed above	5,000

Apportionment

5. In the case of a hereditament falling within the class to which Article 3 applies, the net annual value shall be ascribed to the district council district in which the hereditament is situated.

PART III

ELECTRICITY TRANSMISSION AND DISTRIBUTION

Net Annual Value

6. For the year ending on 31st March 2004 the net annual value of the hereditaments occupied by the Company and specified in column 1 of the Schedule shall be the amounts specified opposite thereto in column 2 of the Schedule.

Redetermination of net annual value

7. For the year ending on 31st March 2005 and for each subsequent year the net annual value of the hereditaments occupied by the Company and specified in Part A of the Schedule shall be the amount determined in accordance with the formula –

$$\left(\frac{£5,288,000 \times A}{B} \right) + \left(\frac{£17,212,000 \times C}{D} \right)$$

where –

A is the estimated number of circuit kilometres of main transmission line in Northern Ireland occupied by the Company on 31st March in the relevant preceding year;

- B is the estimated number of circuit kilometres of main transmission line in Northern Ireland occupied by the Company on 31st March 2003;
- C is the estimated installed transformer capacity (measured in kilovoltamperes) of all the electricity transformation plant in Northern Ireland occupied by the Company on 31st March in the relevant preceding year but excluding plant in or on the hereditament specified in Part B of the Schedule; and
- D is the estimated installed transformer capacity (measured in kilovoltamperes) of all the electricity transformation plant in Northern Ireland occupied by the Company on 31st March 2003 but excluding plant in or on the hereditament specified in Part B of the Schedule.

8. For the year ending on 31st March 2005 and for each subsequent year the net annual value of the hereditament occupied by the Company and specified in Part B of the Schedule shall be the amount determined in accordance with the formula –

$$\frac{\pounds 750,000 \times E}{F}$$

where –

- E is the estimated installed transformer capacity (measured in kilovoltamperes) of all the electricity transformation plant in or on the hereditament specified in Part B of the Schedule on 31st March in the relevant preceding year; and
- F is the estimated installed transformer capacity (measured in kilovoltamperes) of all the electricity transformation plant in or on the hereditament specified in Part B of the Schedule on 31st March 2003.

Apportionment of net annual value

9.—(1) The net annual value of the hereditaments occupied by the Company and specified in Part A of the Schedule shall, for the year ending on 31st March 2004 and for each subsequent year, be apportioned among the districts of district councils in accordance with the formula –

$$A \times \left[\frac{\left[\frac{B}{7.9} \right] + C}{\left[\frac{D}{7.9} \right] + E} \right]$$

where –

- A is the net annual value of the hereditaments occupied by the Company and specified in Part A of the Schedule, determined in accordance with Article 6 or 7 for the year in question;
- B is the total non-domestic net annual values for the year in question in the district in respect of which the apportionment is being made;
- C is the total domestic net annual values for the year in question in the district in respect of which the apportionment is being made;
- D is the total non-domestic net annual values in the valuation list for the year in question; and
- E is the total domestic net annual values in the valuation list for the year in question.

(2) For the purposes of paragraph (1) the totals of net annual values there mentioned shall, for any year, be taken to be those totals as ascertained from the valuation list in force or coming into force on 1st April with which that year commences, as in force on that day, but excluding the amounts shown in the list as the net annual values of hereditaments occupied by public supply undertakings or holders of licences or exemptions and (to the extent that they are distinguished in the list as wholly or partially exempt from rates) the amounts shown in the list as the net annual values of hereditaments wholly or partially exempt from rates.

(3) The net annual value of the hereditament occupied by the Company and specified in Part B of the Schedule shall, for the year ending on 31st March 2004 and for each subsequent year, be ascribed to the district of Larne district council.

Revocation

10. The Valuation (Electricity) Order (Northern Ireland) 1997^(a) is hereby revoked.

Sealed with Official Seal of the Department of Finance and Personnel on 14th February 2003.

(L.S.)

Brian McClure

A senior officer of the Department of Finance and Personnel

^(a) S.R. 1997 No. 118

SCHEDULE

Articles 6 to 9

NET ANNUAL VALUE OF TRANSMISSION AND DISTRIBUTION HEREDITAMENTS
OCCUPIED BY THE COMPANY

1	2
<i>Hereditaments</i>	<i>Specified Amounts</i>
Part A Hereditaments occupied by the Company for the transmission and distribution of electricity other than the Moyle Interconnector.	£22,500,000
Part B The Moyle Interconnector	£750,000

EXPLANATORY NOTE

(This note is not part of the Order.)

This Order makes provision for determining the net annual value of the hereditaments occupied by holders of licences or exemptions under Part II of the Electricity (Northern Ireland) Order 1992.

Articles 3 and 4 make provision for determining the net annual value of the hereditaments occupied by certain holders of such licences or exemptions where such licences or exemptions authorise the holders to generate electricity but not to supply or (in the case of a licence) to transmit electricity. They provide for the net annual value of such a hereditament for any financial year to be calculated on the basis of a certain rate per megawatt of the declared net capacity of the generating plant namely, £4,000 per megawatt for wind or water powered generators, £5,000 per megawatt for coal or oil powered generators, £7,700 per megawatt for natural gas powered generators which make use of steam turbines for the generating process and £5,000 per megawatt in all other cases. Article 5 provides that the net annual value of such a hereditament shall be ascribed to the district council district in which the hereditament is situated.

Article 6 and the Schedule provide that the net annual value of the hereditaments occupied by Northern Ireland Electricity plc, excluding the Moyle Interconnector, shall, for the financial year ending on 31st March 2004, be £22,500,000 and that the net annual value of the Moyle Interconnector shall be £750,000. Articles 7 and 8 provide for the redetermination of these net annual values for subsequent financial years.

Article 9 provides for the net annual value of the hereditaments occupied by Northern Ireland Electricity plc determined in accordance with Articles 6 to 8 to be apportioned among the districts of district councils.

Article 10 revokes the Valuation (Electricity) Order (Northern Ireland) 1997.

£2.50

Published by The Stationery Office Limited

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Printed in the UK by The
Stationery Office Limited
under the authority and
superintendence of Carol
Tullo, Controller of
Her Majesty's Stationery
Office being the Government
Printer for Northern Ireland and
the Officer appointed to print the
Acts of the Northern Ireland Assembly
Dd. N847. C4. 2/03. Gp. 130. 14567.

ISBN 0-337-94880-1

