



CHAPTER ix.

An Act to make new provision as to the charges for the gas supplied by and the application of the profits of the Commercial Gas Company and for other purposes. [29th June 1927.]

A.D. 1927.

WHEREAS the Commercial Gas Company (in this Act called "the Company") were incorporated by an Act passed in the year one thousand eight hundred and forty-seven and under the provisions of that Act and subsequent Acts the Company supply gas within certain parishes and places in the administrative county of London and within part of the county borough of West Ham :

And whereas by the Commercial Gas Acts 1902 and 1918 further capital and other powers were conferred upon the Company :

And whereas the ordinary stock of the Company consists of four per centum capital stock and three and a half per centum capital stock as hereinafter mentioned and the ordinary and preference and debenture stock which the Company are authorised to create and issue and have created and issued is as follows :—

Name of Stock.	Nominal Amount.		
	Issued.	Unissued.	Total.
Four per centum capital stock.	£ 1,513,280 (premiums £12,422)	£ 149,298	£ 1,675,000
Three and a half per centum capital stock.	560,000	Nil	560,000
Preference stock - - -	Nil	105,000	105,000
Debenture stock - - -	475,000 (discounts £4,226)	114,226	585,000

[Price 1s. Net.]

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— And whereas the Company are also authorised by the Commercial Gas Act 1918 to raise from time to time for use as working capital by the issue of redeemable preference stock and redeemable debenture stock in such proportions as the Company may think fit or by borrowing on mortgage or by the creation and issue of debentures or of such redeemable stock as aforesaid sums not exceeding in the whole one hundred and sixty thousand pounds but have not raised any part of the same :

And whereas by virtue of the Commercial Gas (Charges) Order 1921 made under the Gas Regulation Act 1920 as amended by the Commercial Gas (Charges) Amending Orders 1924 and 1926 the charges made by the Company for the supply of gas are based on the heat value of the gas so supplied by them and the standard price in respect of gas supplied by the Company is twelve decimal six pence per therm :

And whereas the said one million five hundred and thirteen thousand two hundred and eighty pounds four per centum capital stock (hereinafter called "the four per cent. stock") bears a standard dividend at the rate of four pounds per centum per annum and the said five hundred and sixty thousand pounds three pounds and ten shillings per centum capital stock (hereinafter called "the three and a half per cent. stock") bears a standard dividend at the rate of three pounds and ten shillings per centum per annum and the Company are authorised to raise (inter alia) by the issue of further four per cent. stock a further sum of one hundred and forty-nine thousand two hundred and ninety-eight pounds :

And whereas the four per cent. stock includes thirty-seven thousand five hundred pounds of such stock carrying a preferential dividend thereon at the rate of two pounds per centum per annum in priority to the dividend on the remainder of the four per cent. stock and on the three and a half per cent. stock and ranking for dividend equally with the said remainder of the four per cent. stock in respect of any half-year for which the net divisible profits of the Company suffice for the payment of a dividend on the four per cent. stock at any higher rate than two per centum per annum :

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And whereas the dividends from time to time payable on the said ordinary stock of the Company must fall below or may be increased above such standard dividends under statutory sliding scales applicable to the Company accordingly as the price from time to time charged by the Company for gas sold by them is above or below the said standard price and the said increase or decrease is under the said sliding scales greater in the case of the three and a half per cent. stock than in the case of the four per cent. stock :

And whereas under the said sliding scales the average dividend paid for the ten years up to and including the first half of the year one thousand nine hundred and fourteen on the four per cent. stock was a dividend at the rate of five pounds six shillings and twopence per centum per annum and the average dividend paid on the three and a half per cent. stock was a dividend at the rate of five pounds two shillings and eightpence per centum per annum and for the five years ending on the thirtieth day of June one thousand nine hundred and twenty-six the average half-yearly dividend on the four per cent. stock has been a dividend at the rate of five pounds eleven shillings and twopence per centum per annum and on the three and a half per cent. stock a dividend at the rate of five pounds and nine shillings per centum per annum :

And whereas the average for the said five years of the dividends which the Company were entitled to pay under the said sliding scales by reason of the price of the gas supplied by them having been reduced below the standard price was in the case of the four per cent. stock a dividend at the rate of six pounds six shillings and eightpence per centum per annum and in the case of the three and a half per cent. stock a dividend at the rate of six pounds eight shillings and fourpence per centum per annum and in three of the said five years the dividend which the Company were entitled to pay on the three and a half per cent. stock was a dividend at a higher rate than the dividend which they were authorised to pay on the four per cent. stock :

And whereas for the reasons aforesaid the four per cent. stock and the three and a half per cent. stock are of approximately the same value :

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— And whereas it is expedient that the provisions contained in this Act with respect to the rate at which dividends may be paid on the ordinary stock of the Company should be enacted :

And whereas Parliament has in the past in certain cases made provision for securing that the public and those employed in gas undertakings and those providing the capital therefor should be more directly and mutually interested in the good management and prosperity of the undertakings and such provision has been found to be of public advantage and to conduce to the cheapening of the price at which the public can be supplied with gas :

And whereas the Company are desirous and it is expedient that such provision as aforesaid should be made applicable to the Company and that the profits of their undertaking after providing for a reasonable return on capital should be applied as to the greater part thereof in reduction of the price of gas and as to the balance thereof in part in increasing returns on capital invested in their undertaking and in other part in increasing the financial interest by way of bonus of employee co-partners of the Company :

And whereas it is expedient that other powers in this Act mentioned should be conferred upon the Company and that such other provisions should be made as are in this Act contained :

And whereas the objects aforesaid cannot be attained without the authority of Parliament :

May it therefore please Your Majesty that it may be enacted and be it enacted by the King's most Excellent Majesty by and with the advice and consent of the Lords Spiritual and Temporal and Commons in this present Parliament assembled and by the authority of the same as follows (that is to say) :—

PRELIMINARY.

Short title. 1. This Act may be cited as the Commercial Gas Act 1927.

Incorporation of Acts. 2. The Companies Clauses Consolidation Act 1845 and Part III. (Debenture stock) of the Companies Clauses Act 1863 as amended by subsequent Acts (so

far as the same are applicable for the purposes of and are not inconsistent with or varied by this Act) are hereby incorporated with and form part of this Act. A.D. 1927.
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3. In this Act unless there is something in the subject or context repugnant to such construction the expressions— Interpreta-
tion.

“British thermal unit” means the amount of heat which will raise the temperature of one pound of water one degree Fahrenheit;

“Calorific value of the gas” means the gross number of British thermal units produced by the combustion of one cubic foot of gas supplied by the Company measured at sixty degrees Fahrenheit under a pressure of thirty inches of mercury and saturated with water vapour;

“A therm” means one hundred thousand British thermal units;

“The declared calorific value” means the calorific value of the gas which the Company are for the time being bound to supply under this Act or under any declaration in force under the provisions of this Act;

“The Act of 1875” means the Commercial Gas Act 1875;

“The Act of 1920” means the Gas Regulation Act 1920;

“The gas referees” means the gas referees appointed by the Board of Trade under the Act of 1920;

“The directors” means the directors of the Company;

“Co-partner” means a person in the employ of the Company with whom the Company have entered into an agreement under section 24 of the Commercial Gas Act 1902;

“The limits of supply” means the limits of the Company for the time being for the supply of gas.

HEAT UNIT BASIS FOR GAS SUPPLY.

4. For the purposes of this Act the number of therms supplied shall be ascertained from time to time Measure of
therms
supplied.

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by multiplying the number of British thermal units comprised in the declared calorific value of the gas by the number of cubic feet thereof supplied and dividing the resulting sum by one hundred thousand.

Calorific
value of
gas.

5. Until such time as the Company shall become entitled as provided by this Act to supply gas of a different calorific value the calorific value of the gas supplied by the Company shall be four hundred and seventy-five British thermal units.

Declaration
of calorific
value.

6. If at any time after the passing of this Act the Company desire to supply gas of a different calorific value from that which they are then supplying the Company shall by advertisement in the London Gazette and by notice in writing to the Board of Trade the London County Council and the council of each metropolitan and county borough within or partly within the limits of supply and to each consumer of gas supplied by the Company declare their intention to supply at the expiration of three months from the date of such notice or at such later date as may be specified in such notice gas of such different calorific value as may be declared in such advertisement and notice and the calorific value as so declared by the Company shall thereafter be the declared calorific value for the purposes of this Act unless and until varied by subsequent declaration under the provisions of this Act.

Adjustment
of con-
sumers'
appliances.

7. If and so often as the Company shall declare their intention to supply gas of a different calorific value from the calorific value which they are supplying at the date of such declaration the Company shall effect any readjustment or replacement of consumers' appliances which may be required in consequence of such alteration of calorific value and so that the gas supplied can be burned in such appliances with safety and efficiency except in the case of a consumer who objects to such adjustment or replacement. On each such occasion the Company shall carry out such adjustments and replacements as they are by this section required to effect within six months from the date when they commence to effect the same and without charge to the consumer.

Pressure of
gas.

8. The minimum pressure of gas supplied by the Company shall in any main or in any pipe laid between

the main and the meter having an internal diameter of two inches or upwards be such as will balance a column of water not less than two inches in height : A.D. 1927.

Provided always that—

- (a) whenever the declared calorific value is less than three hundred and fifty British thermal units the minimum pressure of the gas supplied by the Company in any such main or pipe shall except as aforesaid be such as will balance a column of water not less than two and a half inches in height; and
- (b) whenever the declared calorific value is less than three hundred British thermal units the minimum pressure of gas supplied by the Company in any such main or pipe shall be such as will balance a column of water of such height not being less than three inches as shall be prescribed by the gas referees.

9. The following sections or parts of sections of the Act of 1920 shall apply to the Company as if the provisions of this Act with respect to price quality and pressure of the gas supplied by the Company were an Order made under section 1 of that Act in relation to the Company (namely):—

Saving for certain provisions of Act of 1920.

- Subsection (1) of section 2 (Composition and pressure of gas to be supplied);
- Section 4 (Appointment of gas referees and examiners);
- Section 5 (Power to prescribe tests);
- Section 6 (Appeals to chief gas examiner);
- Subsections (3) and (4) of section 7 (Remuneration and expenses of gas referees);
- Section 8 (Penalties for failure to comply with prescription of gas referees);
- Section 9 (Forfeiture for deficient calorific value &c.);
- Section 11 (Fees for examination of meters);
- Section 12 (Application of ss. 5 & 6 of 4 Edw. 7 c. 28);
- Section 13 (Meters to be stamped);

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- Section 15 (Accounts and returns);
 Section 16 (Power to make rules);
 Section 18 (Definitions);
 Section 20 (Expenses of local authorities).

Save as aforesaid the provisions of the Act of 1920 shall not apply to the Company.

PRICE OF GAS AND APPLICATION OF PROFITS.

Price of gas.

10. The basic price of gas supplied under the powers of this Act shall be elevenpence for each therm and that price is in this Act referred to as "the basic price."

Limitation of dividends.

11. The Company may subject to and in accordance with the provisions of this Act increase or reduce the price charged by them above or below the basic price but except as by this Act otherwise provided the Company shall not declare any larger dividend on any ordinary stock of the Company than a dividend at the rate of five pounds per annum in respect of every one hundred pounds of such ordinary stock issued before the passing of this Act and for the time being paid up (all of which stock shall rank equally for dividend) and a dividend at the rate of six pounds per annum in respect of every one hundred pounds of any ordinary stock of the Company issued after the passing of this Act and for the time being paid up and the said rates of dividend are in this Act referred to as "the basic rates."

Division of surplus profits.

12. The surplus profits of the Company shall be divided in the following proportions namely three-fourths to the consumers and one-fourth equally between the ordinary stockholders and the employee co-partners of the Company in accordance with the following provisions (that is to say) :—

- (1) At the end of each year or half-year a sum shall be calculated representing the amount by which the total amount payable by consumers during such year or half-year has been less than the amount which would have been payable if the gas had been charged for at the basic price and such sum so calculated

shall be called "the consumers' share" and for the purposes of this section "the surplus profits" shall mean a sum of which the consumers' share is three-quarters :

- (2) If and so far as the balance standing to the credit of the net revenue account after providing for dividend on the preference stock if any and dividends at the basic rates on the ordinary stock in the opinion of the directors permits a sum not exceeding one-quarter of the surplus profits shall be applied in two equal parts for the benefit of the holders of ordinary stock and for the benefit of the employee co-partners of the Company in manner hereinafter mentioned :
- (3) Any sum so to be applied for the benefit of the holders of ordinary stock may be applied in the increase of the dividends above the basic rates and if and so far as not so applied shall be carried to the reserve fund :
- (4) The sum so to be applied for the benefit of the employee co-partners of the Company shall be allocated by way of an uniform percentage of bonus on the basic salaries and wages of the employee co-partners of the Company :
- (5) Any balance of the profits of the Company not applied as aforesaid shall be carried to the credit of the net revenue account of the Company for the next following year or half-year Provided that the sum standing to the credit of such net revenue account shall not at any time exceed the amount required to pay one year's dividend on any preference stock and one year's dividends at the basic rates on the ordinary stock of the Company.

13.—(1) The Company shall from time to time file for public inspection with the local authority and with the Board of Trade statements of the conditions under which they are prepared to grant discounts on prices charged by them. Any such discounts granted by the Company shall be alike under the like circumstances.

Provisions relating to basic price.

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(2) No sum shall be (i) divided in excess of the basic rate or carried to the reserve fund and (ii) paid to the co-partners in respect of any period in which the price charged to the ordinary consumer is equal to or more than decimal four of a penny per therm in excess of the basic price.

(3) The Company shall in each year send to the Board of Trade with the accounts required under section 15 of the Act of 1920 a statement showing the number of therms sold at each of the several net prices during the year to which the accounts relate (including gas supplied to public lamps) and if thereafter requested by the Board shall also furnish to the Board all such other information relevant to the said matters as the Board may require.

(4) The accounts of the Company for each year shall contain such particulars as will enable the local authority to calculate the amount which may be for such year (i) paid as dividend or transferred to the reserve fund and (ii) paid to the co-partners.

Interim
dividends.

14. The directors may in any year declare and pay in respect of any half-year ending on the thirtieth day of June a half-yearly dividend on any class or classes of stock in the capital of the Company without the sanction or direction of a general meeting but no such half-yearly dividend on any ordinary stock of the Company shall exceed the rate of dividend on such capital in respect of such half-year as ascertained pursuant to the sections of this Act of which the marginal notes are "Limitation of dividends" and "Division of surplus profits" and no dividend on any preference stock of the Company shall exceed one-half of the yearly dividend on such stock.

Incidence of
forfeitures.

15. Any forfeiture fine or penalty incurred by the Company in any year or half-year shall be deducted from the profits of the Company applicable in respect of that year or half-year for the benefit of the holders of ordinary stock or for the benefit of the employee co-partners of the Company or in either or both of those ways.

Prepayment
meter
charges.

16. The Company shall not charge for the hire of any prepayment meter and any fittings used therewith any sum other than a sum of money calculated according

to the number of therms supplied through such prepayment meter. The sum so charged for a prepayment meter and fittings shall not be more than twopence for each therm so supplied. The said charges shall include the providing, letting, fixing, repairing and maintenance of the meter and fittings and the cost of collection, inspection and any other cost incurred by the Company in connection with the meter and fittings.

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17. The Company shall not later than in the session 1932 promote a Bill in Parliament proposing a revision of the basic price fixed by this Act or giving an opportunity for such revision to be made. The London County Council and the council of any metropolitan or county borough within or partly within the limits of supply shall (subject to their complying with any relevant statutory requirements and Standing Orders of Parliament) be entitled to be heard on such Bill.

As to
promotion
by Company
of future
Bill.

FINANCIAL PROVISIONS RESERVE AND SPECIAL PURPOSES FUND.

18.—(1) The Company may subject to the provisions of this Act but without the certificate of a justice of the peace at any time raise by borrowing on mortgage of their undertaking or by the creation and issue of debenture stock in respect of their capital issued at the date of the passing of this Act any sum or sums not exceeding in the whole (including the amount borrowed by the Company before the said date and outstanding at that date) five hundred and seventy-two thousand and seventy-seven pounds being one half of the paid-up capital (including premiums) issued at that date.

Power to
borrow.

(2) The Company may in respect of any ordinary shares or stock or preference shares or stock issued by them after the date of the passing of this Act raise by borrowing on mortgage of their undertaking or by the creation and issue of debenture stock any sum or sums not exceeding in the whole one half of the amount (including premiums or allowing for discounts as the case may be) which at the time of the borrowing or of the issue of the debenture stock has been raised by the issue of such ordinary shares or stock or preference shares or stock but no sum shall be borrowed in respect

A.D. 1927. — of money so raised until the Company have proved to a justice of the peace under the fortieth section of the Companies Clauses Consolidation Act 1845 that the amounts payable in respect of such shares or stock at the time issued together with the premiums (if any) realised on the sale thereof have been fully paid up.

Dividend on preference capital.

19. Notwithstanding anything contained in the Companies Clauses Act 1863 or any other Act any capital which may be issued by the Company as preference capital under the powers of this or any former Act may bear such a rate of interest as the directors may determine at the date or respective dates of the issue thereof.

Reserve fund.

20.—(1) Any moneys which the Company are by this Act authorised to carry to the reserve fund may be invested in any securities in which trustees are authorised by law to invest money or in such other manner as shall be authorised by a resolution of the Company and the dividends and interest arising from such securities may be invested in the same or the like securities in order that the same shall accumulate at compound interest and the fund so formed shall be called "the reserve fund" and shall be applicable in or towards increasing beyond the basic rates the dividends on the ordinary stock of the Company for any year or half-year or in or towards the payment of dividends for any year or half-year in which the profits of the Company shall be insufficient to enable the Company to pay dividends at the basic rates on the ordinary stock of the Company or to such other purpose or purposes as the directors may determine.

(2) The Company may carry to the reserve fund any moneys which under the section of this Act of which the marginal note is "Division of surplus profits" may be applicable to payment of dividends on the ordinary stock of the Company.

(3) The money and securities standing to the credit of the reserve fund of the Company existing at the passing of this Act shall be credited to the reserve fund provided for by this Act and save as is by this Act provided no sum shall in any year or half-year be carried by the Company to the reserve fund.

21.—(1) The directors may if they think fit in any year appropriate out of the revenue of the Company as part of the expenditure on revenue account any sum not exceeding an amount equal to one per centum of the paid-up capital of the Company (including premiums) to a fund to be called "the special purposes fund." A.D. 1927.
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Special
purposes
fund.

(2) The special purposes fund shall be applicable only to meet such charges as the auditor appointed by the Board of Trade under section 54 of the Act of 1875 shall approve as being—

- (a) expenses incurred by reason of accidents strikes or circumstances which due care and management could not have prevented; or
- (b) expenses incurred in the replacement or removal of plant or works or the replacement of ships other than expenses requisite for maintenance and renewal of the same.

(3) The maximum amount standing to the credit of the special purposes fund shall not at any time exceed an amount equal to one-tenth part of the paid-up capital of the Company including premiums.

(4) The moneys forming the special purposes fund or any portion thereof may be invested in securities in which trustees are authorised by law to invest or may be applied for the general purposes of the Company to which capital is properly applicable or may be used partly in the one way or partly in the other.

(5) Resort may from time to time be had to the special purposes fund notwithstanding that the sum standing to the credit of the special purposes fund is for the time being less than the maximum allowed by this section.

(6) The money or securities standing to the credit of the insurance fund of the Company at the passing of this Act shall be credited to the special purposes fund.

(7) The provisions of section 60 of the Act of 1875 shall apply to any determination of the said auditor under this section.

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DIRECTORS AND AUDITORS.

Employee
directors.

22.—(1) The directors may with the sanction of a majority of the proprietors of the Company present in person or by proxy and voting at a general meeting of the Company prepare put in force and from time to time modify alter or rescind a scheme or schemes enabling one or more but not exceeding three of the employee co-partners of the Company to become a director or directors of the Company.

(2) The qualification of an employee director shall be fixed by the scheme for the time being in force but each such director shall at the date when he becomes a director have been not less than seven years in the constant employ of the Company and shall for not less than twelve months prior to such date have held in his own right not less than fifty pounds nominal value of the ordinary stock of the Company and if any person being an employee director shall while he is a director cease to hold as aforesaid at least such amount of stock he shall cease to be a director.

(3) The fees to be paid to an employee director for his attendance at meetings of the directors shall be fixed by the scheme and shall bear some proportion (to be so fixed) to the amount of the qualification not being less for each attendance than his ordinary day's pay nor more than four times that amount.

(4) The number of persons being directors under the provisions of this section shall be in addition to the number of directors referred to in section 119 of the Act of 1875 but nothing in this section shall be deemed to affect the number of the quorum of a meeting of the directors.

(5) If and whenever any scheme made under the provisions of this section shall have ceased to have effect the directors may but subject to such provisions and with such sanction of the proprietors as aforesaid put in force and from time to time modify alter or rescind a new scheme or schemes.

Occasional
vacancy
among
directors.

23. If any vacancy arises amongst the directors by reason of the death resignation or disqualification of a director or from any other cause between the date of any annual meeting of the Company and the subsequent annual meeting the directors may elect

some person being duly qualified to fill such vacancy and any person so elected as aforesaid shall only continue in office by virtue of such election so long as the director in whose place he may be so elected would have been entitled to continue in office if such vacancy had not occurred but any such person if and so long as he continues duly qualified may be elected or re-elected a director by the proprietors of the Company in general meeting.

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24. Except in the case of a director retiring by rotation and offering himself or being proposed for re-election no person shall be capable of being elected a director at any meeting of the Company in place either of a director retiring by rotation or of a director dying refusing to act or ceasing to be qualified or being disqualified to act unless notice in writing that such person intended to offer himself or will be proposed for the office of director shall have been given to the secretary of the Company or left at the office of the Company fourteen days at least before the day of election.

Notice of
candidature
for office of
director.

25. Notwithstanding anything in the Companies Clauses Consolidation Act 1845 no person shall be disqualified from being a director of the Company by reason of his holding any office or place of trust or profit under the Company or by reason of his being interested in any contract with the Company nor shall any director be required to cease from voting or acting as a director by reason of his accepting any such office or place of trust or profit or becoming interested in any such contract Provided that in the case of his being or becoming interested in any contract with the Company whether such interest shall arise before or after his appointment as a director the nature of his interest in the contract shall be disclosed by him at the meeting of the directors at which the contract is determined on if his interest then exists or in any other case at the first meeting of the directors after the acquisition of his interest or after his appointment and that no director shall as a director vote in respect of any such contract and if he does so vote his vote shall not be counted but this prohibition shall not apply to any contract by or on behalf of the Company to

Directors
holding
office under
or contract-
ing with
Company.

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Managing
directors.

26.—(1) The directors may appoint one or more of their body to be managing director or managing directors either for a fixed term or without limitation as to time and may remove or dismiss him or them from office and appoint another or others in his or their place or places.

(2) A managing director shall not while holding that office be subject to retirement by rotation and shall not be taken into account in determining the rotation of retirement of directors but if he ceases to hold the office of director from any other cause he shall ipso facto immediately cease to be a managing director.

(3) The remuneration of a managing director shall from time to time be fixed by the directors and may be by way of salary or commission or participation in profits or by any or all of those modes.

(4) The directors may entrust to and confer upon a managing director such of the powers exercisable by the directors and subject to such conditions as they may think fit and may from time to time revoke withdraw alter or vary all or some of such powers.

(5) Any managing director appointed under the powers of this Act shall not so long as he receives remuneration as a managing director be deemed a director for the purposes of directors' remuneration.

Qualifica-
tion and
remunera-
tion of
auditors.

27. Notwithstanding anything contained in section 120 of the Act of 1875 or any other Act relating to the Company—

(a) As from the date on which one of the persons who at the passing of this Act is an auditor of the Company shall die or resign or fail to be re-elected as auditor the number of auditors of the Company shall be two and as from the date on which one of the other two persons who at such passing are auditors of the Company shall die or resign or fail to be re-elected as auditor one auditor at least of the Company shall be either a member of the Institute of Chartered Accountants or

of the Society of Incorporated Accountants and Auditors and it shall not be necessary for any person being a member of the said institute or a member of the said society who shall be an auditor of the Company to hold stock of the Company; A.D. 1927.

- (b) The remuneration of the auditors of the Company shall be such as shall from time to time be determined by the proprietors of the Company in general meeting.

MISCELLANEOUS.

28. The directors may grant retiring or superannuation allowances to officers and employees of the Company or pensions to such officers and employees or their widows and dependants by directly granting such pensions and allowances and by contribution to existing superannuation funds and for that purpose may apply the funds and revenues of the Company. Power to grant pensions &c.

29. The directors may subscribe or make donations to infirmaries or hospitals and to convalescent homes and similar institutions and to any industrial exhibitions and trade associations and to sick funds of the employees of the Company and may for any of those purposes apply the funds and revenues of the Company. Power to make donations subscriptions &c.

30. In order to enable the Company to ensure a satisfactory supply of gas to their consumers the following provisions shall have effect:— As to construction and placing of pipes &c.

- (1) The Company may if they think fit make a specification or specifications with regard to the minimum size and the material of the pipes with the fittings thereof which are to be laid by the owner or occupier of any premises on those premises either in the first instance or on the occasion of any renewal and different specifications may be made for different classes of premises or for particular premises having regard to the probable maximum consumption of gas thereon at any one time but a specification shall have no force or effect until it has been approved by the Board of Trade who before giving such approval

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shall refer the matter to an independent gas engineer and may if they think fit direct such engineer to hold a public inquiry into any proposed specification and to have regard to any representations made to the Board by any persons who appear to the Board to be affected by the specification and who attend such inquiry :

- (2) (a) The Company shall publish once in the London Gazette and once in each of two newspapers circulating within the limits of supply a notice of any application made by them to the Board of Trade for approval of any specification together with a copy of the proposed specification and an intimation in a form to be approved by the Board that any person affected by such proposed specification may make representations in writing to the Board within a period to be specified in the notice ;

(b) As soon as practicable after the Board of Trade have approved any specification the Company shall comply with any directions given to them by the Board as to the publication or service of copies of the specification as approved or of notice of the giving of such approval ;

(c) A copy of every specification approved by the Board of Trade under this section shall be kept for public inspection at the office of the Company and copies of every such specification shall be purchaseable by any person at the said office at the price of sixpence for each copy :

- (3) When any such pipe or fittings as aforesaid is or are about to be laid or placed notice thereof shall be given to the Company accompanied by a description of the size and materials of the proposed pipe or fittings and of the purposes for which the gas to be supplied through the same is intended to be used :
- (4) The Company shall as soon as practicable after receiving such notice (after making such

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inspection if any of the said pipe or fittings and of the premises in which the same is or are proposed to be laid or placed as they may deem necessary) intimate in writing to the person giving the notice their approval or disapproval of the pipe or fittings as complying or not complying with the appropriate specification :

- (5) No such pipe or fitting as aforesaid shall be laid or placed unless or until the same shall have been approved as aforesaid and when any such pipe or fittings has or have been laid or placed notice thereof shall be given to the Company and the pipe or fittings shall not be covered over until after the expiration of forty-eight hours from the service of such notice on the Company or until the pipe or fittings as laid or placed has or have been inspected and approved by the Company whichever shall first happen :
- (6) Any officer of the Company duly appointed may between nine o'clock in the morning and five o'clock in the afternoon attend for the purpose of any such inspection as aforesaid and if the officer is not permitted to make the inspection or if the pipe or fittings are not according to the appropriate specification of the Company they may refuse to supply gas to the premises until the provisions of this section have been complied with :
- (7) Every meter to be used in a new building or 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 Company's main but within the outside wall of the building and when any such meter has been placed the person placing the same shall give to the Company the like notice and the Company shall have the like rights of inspection as are respectively referred to in subsections (5) and (6) of this section and if the meter is not placed as required by this section the Company may refuse to supply

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gas to the premises until the provisions of this section have been complied with :

Provided that in the case of any building in connection with which there is provided outside the building accommodation reasonably approved by the Company for the meter or a separate meter-house such meter may be placed in such accommodation or meter-house instead of within the outside wall of the building :

- (8) The provisions of this section relating to pipes and the fittings thereof shall not apply to any pipes or fittings belonging to the Port of London Authority or a railway company and laid or placed or intended to be laid or placed in any premises (not being a dwelling-house or premises appurtenant to a dwelling-house) of that authority or company—

(a) elsewhere than between the main of the Company and the meter; or

(b) between such main and the meter unless and except so far as such pipes or fittings are covered over or intended to be covered over :

- (9) For the purposes of this section the expression "fittings" includes only the sockets bends tees and connections of a similar character used in placing or laying pipes.

Relief from obligation to supply.

31. Unless at the date of the demand for any such new or increased supply of gas as is hereinafter referred to the capacity of the distribution works of the Company is in the opinion of an arbitrator appointed as hereinafter provided insufficient to meet (with a reasonable margin) the requirements (as existing immediately before that date) of the consumers in the portion of the limits of supply for which such works have been provided (so far as such requirements could reasonably have been foreseen) the Company notwithstanding anything contained in any other enactment shall not be obliged to give for any purpose other than lighting or domestic use—

- (a) a new supply of gas for the premises of any person demanding such supply at any time after the date of this Act; or

(b) an increased supply of gas (other than an increased supply necessitated by any reduction of the declared calorific value of the gas);

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where the giving of such new or increased supply would render necessary the laying of a new main or the making (as an alternative to the laying of a new main) of any enlargement or alteration of or addition to the distribution works of the Company :

Provided that the foregoing provisions of this section shall not apply in any case in which the person demanding the new or increased supply (in this section referred to as "the applicant") shall enter into a written contract with the Company—

- (i) to receive and pay for a supply of gas of such minimum quantity and for such minimum period as the Company may reasonably require; or
- (ii) to make such payment or payments to the Company (in addition to any payments to be made from time to time for gas supplied to the applicant) as the Company may reasonably require;

(according as the Company may in their discretion determine) in consideration of or by way of contribution towards the expenses to be incurred by the Company in laying such new main or making such enlargement alteration or addition as aforesaid and shall give such security for the payment of all moneys which may become due under the contract as the Company may reasonably demand :

Provided also that if any question shall arise under the provisions of this section between the Company and the applicant as to the sufficiency of the distribution works of the Company or as to whether such new or increased supply would necessitate the laying of a new main or the making of any such enlargement alteration or addition as aforesaid or as to the reasonableness of the minimum quantity or period or of the payments (in addition to payments for gas supplied) required by the Company or as to the nature or amount of the security demanded by the Company such question shall be referred to and determined by an arbitrator to be appointed (failing agreement between the Company and

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the applicant) by the Board of Trade on the application of either party after notice in writing to the other of them and the decision of such arbitrator shall be final and binding :

Provided also that in determining any such question as aforesaid 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 Company may be called upon to supply gas to the applicant ;
- (b) The capital expenditure which the Company would have to incur in the laying of a new main or the making of any enlargement or alteration of or addition to their distribution works as aforesaid in connection with the giving of such new or increased supply ; and
- (c) How far such capital expenditure may become unproductive to the Company in the event of the cesser of the new or increased supply.

Subject as aforesaid the provisions of the Arbitration Act 1889 shall apply to any arbitration under this section.

Expenses
of recon-
necting dis-
continued
supply.

32. In any case in which in consequence of any default on the part of the occupier of any premises the Company have cut off the supply of gas to such premises and the occupier so in default shall desire to resume such supply he shall pay to the Company the expenses of re-connecting the supply and the Company shall not be under any obligation to supply gas to such occupier until he shall have made good the default and paid such expenses.

Anti-
fluctuators
to be used
with gas
engines &c.

33.—(1) The Company may by notice in writing require a consumer of gas supplied by the Company and used for the working of an engine compressor or other apparatus causing or likely to cause a fluctuation of the pressure in the Company's mains or pipes to fix and use an efficient anti-fluctuator in a suitable position upon the premises upon which such engine compressor or other apparatus is in use or to keep any anti-fluctuator fixed and used by the consumer in proper order and

repair at all times while in use or to repair renew or replace an anti-fluctuator which is not in proper order or repair.

(2) If the consumer after any such notice as aforesaid fails to fix and use an efficient anti-fluctuator or to keep an anti-fluctuator in proper order and repair or to repair renew or replace an anti-fluctuator which is not in proper order and repair the Company may cease to supply him with gas.

(3) The Company may at all reasonable times demand and shall thereupon have access to any anti-fluctuator fixed upon any premises to which gas is supplied by the Company and for the purpose of ascertaining whether the anti-fluctuator is efficient and in proper order and repair may take off inspect remove and test the anti-fluctuator such taking off inspecting removing and testing to be done at the expense of the Company if the anti-fluctuator be found efficient and in proper order but otherwise at the expense of the consumer.

(4) For the purposes of this section an "anti-fluctuator" means an apparatus for the purpose of controlling and regulating the supply of gas to any engine and preventing any inconvenience or danger from the intermittent consumption of gas by the engine.

34.—(1) Every consumer of gas supplied by the Company who uses air at high pressure for or in connection with the consumption of such gas (in this section referred to as "high-pressure air") shall if required to do so by the Company provide and fix in a suitable position and use an efficient valve or other appliance for preventing the admission of such air into the service pipe or any main through which such gas is supplied and shall at all times at his own expense keep in proper order and repair any such valve or other appliance as aforesaid which shall have been provided and fixed whether upon such requirement or otherwise.

Provision of valve where high-pressure air or gas is used.

(2) Every consumer of gas supplied by the Company who uses a gas compressor for increasing the pressure of gas after it has passed through the meter shall if required to do so by the Company provide and fix in a suitable position and use an efficient valve or other approved appliance for preventing the pressure in the

A.D. 1927. meter being so reduced as to damage the meter or the pressure in the main being so reduced as to affect the supply of gas to other consumers.

(3) It shall not be lawful for any consumer at any time after the passing of this Act to commence to use high-pressure air or high-pressure gas unless and until he shall have given to the Company not less than fourteen days' previous notice in writing of his intention to do so.

(4) Every consumer who at the date of the receipt by him of any such demand note as is referred to in paragraph (a) of subsection (6) of this section is using high-pressure air or high-pressure gas shall within one month after that date give to the Company notice in writing of such use and if within one month after the giving of such notice the Company require the consumer giving the same to provide and fix such a valve or other appliance as aforesaid it shall not be lawful for him after the expiration of fourteen days from the receipt of the requirement to continue to use high-pressure air or high-pressure gas unless before such expiration he shall have complied with the requirement.

(5) If any consumer shall fail to comply with any requirement of the Company or any obligation under this section the Company may cease to supply gas to him and shall not be under any obligation to resume such supply until the default shall have been remedied to their satisfaction.

(6) The Company shall give notice of the effect of the foregoing provisions of this section—

(a) in the case of all persons who at the date of this Act are consumers of gas supplied by the Company on the demand notes for gas charges payable to the Company issued next after that date; and

(b) in the case of any person becoming after the date of this Act a consumer of gas supplied by the Company on the first of such demand notes delivered to such person after he shall have become a consumer.

(7) The Company shall have access at all reasonable times to all premises supplied by them with gas in or upon which high-pressure air or high-pressure gas is used or

the Company have reason to believe that high-pressure air or high-pressure gas is or may at the time be used in order to ascertain whether any such valve or appliance as aforesaid is efficient or is in proper order and repair or whether such valve or appliance is provided and fixed where necessary.

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(8) The Company shall be at liberty to take off inspect remove test and replace any such valve or other appliance as aforesaid such taking off inspecting removing testing and replacing to be done at the expense of the Company if the valve or other appliance be found in proper order but otherwise at the expense of the consumer.

35. Notwithstanding anything in any other Act a person shall not be entitled to demand or continue to receive for the purposes of a stand-by supply only from the Company a supply of gas for any premises having a separate supply of gas or a supply (in use or ready for use for the purposes for which the stand-by supply of gas is required) of electricity steam or other form of energy unless he has agreed with the Company to pay to them such minimum annual sum as will give them a reasonable return on the capital expenditure incurred by them in providing such stand-by supply and will cover other standing charges incurred by them in order to meet the possible maximum demand for those premises and the sum so to be paid shall be determined in default of agreement by arbitration in manner provided by the Arbitration Act 1889.

Stand-by
supplies.

36.—(1) In any case in which the Company are by virtue of any enactment relating to their undertaking authorised to cut off and discontinue the supply of gas to any premises in consequence of any default on the part of the occupier of the premises it shall be lawful for the Company without prejudice to any other remedy which may be lawfully available to them to disconnect at the meter the service pipe (whether belonging to the consumer or to the Company) and any person who shall re-connect such service pipe with the meter without the consent of the Company shall be deemed to commit an offence within the meaning of section 18 of the Gasworks Clauses Act 1847 :

As to mode
of cutting
off supplies.

Provided that if and so soon as the matter complained of shall have been remedied nothing in this

A.D. 1927. section shall prejudice or interfere with any rights vested in any person by virtue of any Act relating to the Company.

(2) For the purposes of this section the Company subject to the provisions of section 80 of the Act of 1875 shall have and may exercise the like powers of entry as are exerciseable under that section.

As to proof of service of notices upon consumers.

37. In any case in which the Company are required to serve any notice upon or give notice to the consumers of gas supplied by them in the whole or any part of the limits of supply the Company shall not for any purpose be required to furnish proof of the service of such notice upon or the giving of such notice to any particular consumer or consumers if they shall have advertised such notice in the London Gazette and in such newspaper or newspapers published or circulating within the limits of supply or within that part of the limits of supply to which the said notice relates as will in the opinion of the directors best give publicity to the said notice.

Prohibiting building over Company's apparatus.

38. From and after the passing of this Act no person shall erect or extend or cause to be erected or extended any building or structure on or over any main pipe or apparatus of the Company shown on the map required to be provided by the Company under section 70 of the Act of 1875 until he shall have given to the Company reasonable notice in writing of his intention to so erect or extend such building or structure together with reasonable particulars of the land on or over which it is proposed to erect or extend the same but nothing in this section shall affect the erection or extension under statutory powers in that behalf of a building or structure by a railway company.

Supply and purchase of gas in bulk.

39. The Company may contract with any local authority company or person for the supply by the Company to them or for the supply to the Company by them of gas in bulk upon such terms and conditions as may be agreed upon but nothing in this section shall authorise the Company to lay any mains or interfere with any street beyond the limits of supply :

Provided that the Company shall not supply gas under any such contract beyond the limits of supply

if and so long as such supply would interfere with the supply of gas within those limits. A.D. 1927.

40.—(1) If the Company shall at any time serve notice upon any consumer to the effect that an officer or servant of the Company has reported after inspection of any internal piping or gas-consuming appliance or fitting on such consumer's premises that he is of opinion that any such internal piping or gas-consuming appliance or fitting is in such a condition as to be dangerous to the occupiers of the premises such consumer shall forthwith carry out such works as may be necessary to remove the cause of danger. If the consumer shall fail forthwith to carry out such works as aforesaid the Company may stop the gas from entering the premises of such consumer by cutting off the service pipe or by such other means as the Company shall think fit. Any expenses incurred by the Company in cutting off the gas from such premises may be recovered by the Company summarily as a civil debt.

Repairs of piping &c. in dangerous condition.

(2) For the purposes of this section the Company shall subject to the provisions of section 15 (Undertakers may enter buildings for ascertaining quantities of gas consumed) of the Gasworks Clauses Act 1847 have and may exercise the like powers of entry as are exerciseable under that section.

(3) Nothing in this section shall apply to any piping or gas-consuming appliance or the fixing thereof on the premises (other than a dwelling-house) of any railway company.

41. The Company's inspectors or servants shall at all reasonable times have access to and be at liberty to inspect take off remove test repair and replace meters which are the property of the Company and meanwhile to fix a substituted meter on the premises such inspection taking off removal testing and replacing to be done at the expense of the Company. The expense of changing and testing meters which have been tested at the request of the consumer and found to be defective shall be borne by the Company but if the meter shall have been found not to be defective shall be borne by the consumer.

Inspection and testing of meters.

42. Notwithstanding anything contained in any enactment a patent may on the application of the Company and of the inventor of any invention relating

Company may be patentee jointly.

A.D. 1927. to the business of the Company be granted to the Company and such inventor jointly and in any such case the Company and the said inventor shall respectively have all the rights and remedies of joint grantees of a patent under the Patents and Designs Act 1907 or any statutory modification thereof for the time being in force.

Further provisions as to nominations by co-partners.

43. Notwithstanding anything contained in the Commercial Gas Act 1902 or in the schedule to that Act—

(a) Any person who has been entitled to make a nomination under the provisions of section 23 (Persons in employ of Company may nominate others to transfer stock &c. held by such persons) of the Commercial Gas Act 1902 but has ceased (otherwise than by death) to be so entitled shall notwithstanding such cesser continue to be entitled to exercise in respect of any stock of the Company held by him or of any money left by him in the hands of the Company the rights conferred by the said section and the regulations contained in the schedule to the said Act of 1902 shall apply to any such person and to any nomination made by him (whether before or after such cesser as aforesaid) as if he had continued to be an appointor within the meaning of that schedule ;

(b) Paragraph 14 of the said schedule shall be read and have effect as if the words "The person or persons entitled to the effects of the appointor according to the statutes for the distribution of the effects of intestates or such one or more of those persons (if more than one) as the directors think fit" were substituted therein for the words "The persons entitled to the effects of the appointor according to the statutes of distribution" and in the case of any such person as is referred to in the foregoing paragraph (a) of this section the said paragraph 14 as so amended shall extend and apply as if he had continued to be an appointor within the meaning of that schedule.

44.—(1) The following provisions of the following Acts are hereby repealed (that is to say) :—

A.D. 1927:
—
Repeals.

The Act of 1875—

- Section 22 (Appointment of gas referees);
- Section 23 (Continuance of referees);
- Section 24 (Quorum &c. of referees);
- Section 25 (Certificate of referees);
- Section 26 (Mode and times of testing illuminating power) so far as unrepealed;
- Section 27 (Examination of gas works by referees);
- Section 28 (Access to works);
- Section 29 (Purity of gas to be prescribed);
- Section 30 (Mode and times of testing purity);
- Section 32 (Provision of testing places and apparatus);
- Section 36 (Appointment of chief gas examiner);
- Section 61 (Remuneration and expenses of gas referees &c.) save so far as the same relates to the auditor therein referred to;
- Section 62 (Profits of Company limited);
- Section 63 (If profits exceed the amount limited excess to be invested and form an insurance fund);
- Section 64 (Application of excess of profits over prescribed rate of dividend);
- Section 65 (Power to create a reserve fund out of dividends in excess of the prescribed rate of dividend);
- Section 66 (Application of reserve fund);
- Section 71 (Pressure of gas);
- Section 84 (Mode of measuring gas for public lamps).

The Commercial Gas Act 1902—

- Subsections (2) and (6) of section 5 (Conversion of capital stocks);

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—

Section 12 (Varying illuminating power standard price and dividend).

The Commercial Gas Act 1918—

Section 5 (Power to raise money temporarily for working capital);

Section 6 (Extension by Board of Trade of period limited for final repayment or redemption of borrowed money or of preference stock debenture stock and debentures);

Subsection (2) of Section 15 (Annual ordinary meetings and half-yearly dividends).

(2) The following Orders are hereby annulled (that is to say) :—

The Commercial Gas Company (Charges) Order 1921 and the Commercial Gas Company (Charges) Amending Orders 1924 and 1926.

Costs of Act.

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

Printed by EYRE and SPOTTISWOODE, LTD.,

FOR

WILLIAM RICHARD CODLING, Esq., C.B., C.V.O., C.B.E., the King's Printer of Acts of Parliament.

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