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STATUTORY INSTRUMENTS

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**1996 No. 293**

**The Fossil Fuel Levy (Scotland) Regulations 1996**

*APPLICATION AND DISTRIBUTION ETC OF SUMS COLLECTED*

**Application and distribution of levy**

**23.**—(1) Payments received by the Director in respect of the initial period commencing on 16th February 1996 and ending on 31st March 1997 and each subsequent financial year pursuant to any of the preceding provisions of these regulations shall be applied and distributed by him in accordance with the following provisions of this regulation.

(2) The Director shall deduct and retain from the payments mentioned in paragraph (1) the amount of the administrative expenses incurred by him in respect of that initial period or financial year as the person prescribed by these Regulations for the purposes of section 33(1)(b) and (c) of the Act.

(3) Subject to paragraphs (6) and (7), the balance of the payments mentioned in paragraph (1) shall be applied to the making of payments in respect of the initial period or financial year in question to each public electricity supplier in respect of the amounts contemplated by subsections (3) and (6) (c) of section 33 of the Act as being payable to that supplier in respect of that period or financial year.

(4) Each payment to a public electricity supplier pursuant to paragraph (3) shall be made to the public electricity supplier, or as he may direct.

(5) Each payment pursuant to paragraph (3) shall, without prejudice to paragraphs (6) and (7), be made as soon as practicable after the 31st May after the end of whichever of the periods mentioned in paragraph (1) is in question.

(6) If any of the payments mentioned in paragraph (1) are not received by the Director in time to be applied and distributed in accordance with the preceding provisions of this regulation, such payments shall, as soon as practicable after the payment mentioned in paragraph (5) has been made, be added in the appropriate amounts to the next payments due to be made under this regulation to the public electricity suppliers, or as they may direct.

(7) For the purposes of paragraph (6), the appropriate amount as regards each payment mentioned in that paragraph in relation to each public electricity supplier is an amount equal to the difference between—

- (a) the payment actually made to the public electricity supplier under paragraph (5); and
- (b) the payment which would have been made to that supplier if the payment first mentioned in this paragraph had been received by the Director in time for it to have been applied and distributed in accordance with paragraphs (2) to (5).

(8) For the purposes of paragraphs (5) and (6), in deciding what is practicable the Director shall have regard to the need to protect confidential information relating to individuals.

**Interest on payments and deductions in respect of levy**

**24.**—(1) Interest at the prescribed interest rate and for the prescribed period shall be paid by any licensed supplier on the amount of any payment made in accordance with—

- (a) paragraph (4) of regulation 11;

- (b) paragraph (5)(a) of regulation 14;
- (c) paragraph (2) of regulation 16;
- (d) paragraph (2) of regulation 17;
- (e) paragraph (1) of regulation 18;
- (f) paragraph (a) of regulation 21.

(2) An amount equal to interest at the base rate of the Royal Bank of Scotland plc current from time to time during the prescribed period shall be added to the amount of any deduction made in accordance with—

- (a) paragraph (5)(b) of regulation 14;
- (b) paragraph (5) of regulation 15;
- (c) paragraph (4) of regulation 19;
- (d) paragraph (4) of regulation 20;
- (e) paragraph (b) of regulation 21; or
- (f) regulation 22.

(3) In this regulation “prescribed period” means the period beginning on the 31st May after the last day of whichever of the periods specified in regulation 11(3)(a) and (b) the payment mentioned in paragraph (1) or, as the case may be, the deduction mentioned in paragraph (2) relates to and ending on the day on which the payment or deduction is actually made or, in the case of a payment, would have been made but for a deduction in accordance with these Regulations.

#### **Investment of sums collected**

**25.**—(1) Any money received by the Director pursuant to any of the preceding provisions of these Regulations (other than regulation 24(1)) shall, until such time as it is required for the making of payments pursuant to regulation 23, be invested in the approved manner.

(2) All relevant interest payments shall, until they are required for the making of payments pursuant to regulation 27, be invested in the approved manner.

(3) For the purposes of this regulation, any money or relevant interest payment is invested in the approved manner if, utilising one or more of the Bank of England and banks which are members of the Committee of London and Scottish Bankers, it is—

- (a) invested on the sterling United Kingdom inter-bank money market; or
- (b) placed on deposit in sterling in an interest bearing account or accounts.

#### **Prescribed person’s records and accounts**

**26.**—(1) The Director shall keep separate records of—

- (a) all payments received by him pursuant to any of the preceding provisions (except regulations 24 and 25) of these Regulations;
- (b) all relevant interest payments received by him; and
- (c) all administrative expenses incurred by him in connection with the levy.

(2) The Director shall maintain one or more bank accounts for all payments received by him pursuant to these Regulations, and shall keep such account or accounts separate from all other bank accounts maintained by him.

(3) The Director shall send a statement of the amount for the time being to the credit of any such account as is mentioned in paragraph (2) to the public electricity suppliers at intervals of not more than twelve months, the first such statement being sent to the suppliers not later than 30th June 1997.

(4) The Director shall also send a statement of the administrative expenses incurred by him in connection with the levy to the licensed suppliers at intervals of not more than twelve months, the first such statement being sent to the suppliers not later than 30th June 1997.

#### **Application of relevant interest payments**

**27.**—(1) Unless the public electricity suppliers request otherwise, all relevant interest payments standing to the credit of any such account as is mentioned in paragraph (2) of regulation 26 at the end of a financial year shall be added in the appropriate proportion to the payments immediately next due to be made under paragraph (5) of regulation 23 to those suppliers, or as they may direct.

(2) For the purposes of paragraph (1), the appropriate proportion is the proportion which the payment to the particular public electricity supplier under regulation 23 bears to the aggregate of all the payments to be made at the time under that regulation.

(3) Before the Director agrees to any such request as is mentioned in paragraph (1), he shall have regard to the need to protect confidential information relating to individuals.