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## EXPLANATORY NOTE

*(This note is not part of the Order)*

Under paragraph 3(1) of Schedule 6 to the Local Government Finance Act 1988, the Secretary of State may by order provide that a hereditament of a description prescribed in the order is not to be valued for non-domestic rating on the basis set out in paragraphs 2 to 2C of that Schedule (that is to say, by reference to the rent a hypothetical tenant would pay for the hereditament on an annual basis), but on the basis of prescribed rules.

Under paragraph 3(2) of Schedule 6, the Secretary of State may by order provide that, in the case of non-domestic hereditaments to be shown in the central rating list for Wales (“central list hereditaments”) the basis of valuation contained in paragraphs 2 to 2B of that Schedule shall not apply, and instead their rateable values shall be such as are specified in the order or determined in accordance with prescribed rules.

These powers are now vested in the National Assembly for Wales.

Article 4 of this order (which applies to Wales only) revokes, subject to certain savings, with effect from 1st April 2000, the Electricity Supply Industry (Rateable Values) Order 1994, which was made under both paragraphs 3(1) and 3(2) and applied in respect of years commencing on or after 1st April 1995.

Article 5 prescribes, in pursuance of paragraph 3(1) of Schedule 6, hereditaments used or available for use wholly or mainly for the purpose of generating electricity by means of certain descriptions of plant. Article 6 contains rules for ascertaining the rateable values of such hereditaments in the five years beginning on 1st April 2000.

Article 8 prescribes, in pursuance of paragraph 3(2) of Schedule 6, the rateable values of central list hereditaments used or available for use for the transmission of electricity for the year beginning on 1st April 2000. Articles 9 and 10 provide for the annual recalculation of those rateable values for subsequent years, on the basis of a standard formula.