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Act No. 17 of 14 December 1917 relating to regulations of watercourses.

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Act relating to regulations of watercourses

Section 1. This Act applies to regulations of watercourses. Regulations of watercourses are understood to be installations or other measures for regulating a watercourse's rate of flow, including expanding or altering older regulating installations. Installations or works intended to increase the rate of flow by diverting water and pumping water to a reservoir located at a higher elevation are likewise to be regarded as regulations of watercourses.

The Water Resources Act also applies to measures covered by this Act insofar as separate rules are not laid down in this Act.

Section 2. Regulations of watercourses for the generation of electrical energy that increase their water power:

- a) by at least 500 natural horsepower in a single waterfall or series of waterfalls that can be exploited as a single waterfall, or
- b) with at least 3,000 natural horsepower in the entire watercourse, or
- c) that by themselves or together with previous regulations have a substantial impact on natural conditions or the public interest may be undertaken only by the State or a party who has obtained a permit from the King (licence).

If a regulation of a watercourse increases the water power in the watercourse by at least 20,000 natural horsepower or there is a conflict of vital interests, the matter shall be submitted to the Storting before a licence is granted, unless the Ministry deems this unnecessary.

The increase of the water power in the first and second paragraphs shall be calculated on the basis of the increase of the watercourse's low water flow that the regulation is assumed to result in over and above the rate of flow that could be expected from one year to another for 350 days of the year. In calculating this increase, it shall be assumed that the reservoir will be exploited in such a manner that the rate of flow during the low water period will be as even as possible.

Section 3.

1. A licence shall not be required for the re-erection of lawfully existing installations on the same site, provided the work begins within a time limit of five years, is completed

with reasonable speed and does not involve any enlargement of the regulation. Nor is a licence required for the repair and rebuilding of such installations, when the work does not involve any enlargement of the regulation.

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Section 4.

1. Any person or persons wishing to undertake a regulation project may request a statement from the Ministry concerned as to whether a licence is required pursuant to this Act, when submitting to the Ministry a plan for the contemplated work and the information required pursuant to section 5.

Before the Ministry issues its statement, opinions shall be solicited from the concerned municipal boards, timber floating associations, fishery boards, agricultural and forestry companies, local bodies for inland fisheries and for agriculture and forestry as well as other stakeholders.

2. The Ministry, or the person or persons wishing to undertake a regulation, may request a determination by appraisal of whether the regulation will result in an increase of the hydroelectric power in excess of the limit stated in section 3 [*sic*; section 3 in original, but the limit is stated in section 2], whether a series of waterfalls can be suitably developed as a single waterfall, or whether the project will harm or inconvenience the public interest.

Section 4a. (Repealed by Act No. 62 of 19 June 1992.)

Section 5. An application to carry out a regulation project pursuant to this Act shall be submitted to the Ministry concerned and, in general, be accompanied by:

- a. a comprehensive plan, including the requisite measurements, results of geological surveys, explanations, drawings, calculations and estimates of costs;
- b. a statement of the benefits that the project will result in and of the quantity of the water power that may be provided or exploited;
- c. environmental impact assessments pursuant to chapter VII-a of Act No. 77 of 14 June 1985 appended to the application;
- d. for retaining dams, proposed rules for reservoir operation;
- e. a complete account of the exploitable head in the watercourse concerned including an account of flow conditions;
- f. information as to whether all owners of works and waterfalls located downstream have been given the opportunity to participate in the project (cf. section 9);
- g. The King may issue further regulations regarding the contents of the licence application.

Section 6.

1. When an application with the information deemed to be necessary pursuant to section 5 has been received by the Ministry, the documents shall be displayed in the office of the Norwegian Water Resources and Energy Directorate and in the offices of the municipality or other appropriate place in the district for the inspection of those

whom the case concerns. The application shall be submitted to the affected municipal, county and central government authorities and agencies concerned. The application shall also be submitted to organisations, associations and the like whose interests are particularly affected. At the same time they are to be notified that comments must be submitted to the Ministry by a time limit that in general may not be less than three months.

An announcement concerning the application along with a brief description of the plans and information regarding where the documents are on display and the deadline for submitting comments shall be inserted twice in the Norwegian Official Journal and in one or more newspapers that are commonly read in the district.

The expenses connected with display and announcements shall be borne by the applicant.

To an extent deemed reasonable, the applicant shall compensate landowners, licensees, municipalities and other interested parties for expenses for necessary legal and other expert assistance that have accrued after notification has been made available for public inspection as specified in section 33-3, second paragraph, of Act No. 77 of 14 June 1985. In special circumstances, the Ministry may issue advance authorisations to cover expenses up to a certain amount.

Reimbursement may be claimed from the applicant for necessary expenses for the municipal planner from the date notification is submitted to the municipality, cf. section 33-3, second paragraph, of Act No. 77 of 14 June 1985. The decision is made by the Ministry.

2. All contentions regarded to be of importance to deciding on the application shall be reported to the applicant, who may be given a deadline to comment. If the licensing authorities find grounds to do so, the applicant's new statement shall be submitted to the interested parties for a possible comment within a specified time limit.

Section 7. (Repealed by Act No. 82 of 24 November 2000 (in force on 1 January 2001 pursuant to Royal Decree No. 1169 of 24 November 2000).)

Section 8. A licence for a regulation of a watercourse should ordinarily be issued, only if the benefits of the regulation are deemed to outweigh the harm or inconvenience to the public or private interests. Moreover, other deleterious or beneficial effects of importance to society should be taken into account.

If a licence application is rejected pursuant to the provisions in the preceding paragraph, the licence applicant may demand that the decision be submitted to the Storting.

Section 9.

1. Provided several owners of a waterfall or works in a watercourse have joined together in an association for the improvement and exploitation of the watercourse for industrial purposes (a water management association), and its articles of association are approved by the King, a licence for regulating the watercourse should preferably be given to the water management association, as long as the State itself does not choose to regulate the watercourse.

2. If there is no water management association in the watercourse, no license for a regulation should be granted on behalf of one or more waterfall owners until all interested owners of waterfalls or works in the watercourse have had the opportunity to form a water management association.
3. No owner of a waterfall or works in the watercourse who is willing to abide by a water management association's articles of association may be excluded from membership in that association.
4. The apportionment of the costs of constructing regulating installations and the expenses connected with the installations' operation and maintenance etc. may be specified by an agreement among the waterfall and works owners participating in the construction of the installations or, in the case of a water management association, in its articles of association, with the approval of the King.

If the apportionment is not specified in any of these manners, the share that the owner of each participating waterfall or works shall pay shall be calculated in proportion to the value of the increased rate of flow that the regulation will supply to the waterfall or works in question. Such an assessment should normally be undertaken before a licence is granted. Owners of waterfalls representing at least one-fourth of the water power obtained may demand a new assessment, though not more often than every ten years, unless all the interested parties are in agreement. The results of the new assessment shall not affect the apportionment of previously incurred costs. If all interested parties are in agreement, the assessment may be performed by the Norwegian Water Resources and Energy Directorate. Otherwise it will be carried out by appraisal.

5. Owners of waterfalls or works who did not participate in the construction of the regulating installations have the right to become co-owners of the installations at a later date by paying the share of the costs of construction accounted for by their waterfall or works as apportioned according to the rules laid down in subsection 4, though with a proportionate deduction for the period of the licence that has passed after the construction of the regulation.

When such a party has become a co-owner, he is obliged thereafter to share in the expenses connected with the installations' operation and maintenance etc. in the same manner as the other co-owners.

6. The waterfall or works owners who are not co-owners of the regulating installations do not have the right to make use of the service water obtained by the regulation authorised by a licence pursuant to this Act. They are obliged hereby to submit to such verifications that the Ministry decides.

If a waterfall or works owner makes unauthorised use of the service water, he is to be regarded as a co-owner of the installations and as such will be obliged to comply with the rules in subsection 5.

7. In special circumstances the Ministry may grant a waterfall or works owner who is not a co-owner of the regulating installations a permit to use service water obtained by the regulation for an annual fee payable to the owner or owners of the regulating installations. In the event of a dispute this fee shall be set by the Ministry.

8. If the diversion of water from one watercourse to another is brought about by developing waterfalls the flow of which is not increased by the diversion, the provisions of subsection 4, second paragraph, and subsections 5, 6 and 7 will not apply. Instead, the waterfall or works owners who utilise the diverted flow shall pay an annual fee to the owner of the diversion system for the use of the service water obtained. The fee shall be set by appraisalment, unless otherwise agreed.
9. The waterfall or works in question shall serve as a security for those obligations that are incumbent on a waterfall or works owner pursuant to this section. Registration of the mortgage may be demanded at the waterfall or works owner's expense and the lien lapses if it is not registered within four months after the scope of the obligations was finalised, cf. subsection 4.

Section 10.

1. Licences for the regulation of watercourses that fall within the scope of this Act shall be granted for a specified period of time of up to sixty years reckoned from the date the licence is granted.
2. If a regulation is to be utilised primarily for supplying electricity to the general public and considerations of other public interests do not weigh against it, the licence for the regulation may be granted for an indefinite period for watercourses whose water power is to be utilised by enterprises organised pursuant to the Act relating to state-owned enterprises, one or more Norwegian municipalities or counties jointly or by limited liability companies, public limited companies, co-operative societies or other associations in which 2/3 of the capital and votes are held by enterprises organised pursuant to the Act relating to state-owned enterprises or one or more municipalities or counties.

For companies that obtain a licence for an indefinite period, conditions may be set as to the composition of the board of directors, the marketability of the shares and maintenance of the objects of the company. A stipulation limiting the right to acquire shares shall be written on the shares.

If considerations of other public interests do not weigh against it, a licence for a regulation may also otherwise be granted for an indefinite period for watercourses whose water power shall in its entirety be utilised by a Norwegian municipality or by several Norwegian municipalities jointly.

3. The terms and conditions for the licence may be brought up for a general revision after thirty years. If more than one regulation licence has been granted in the same watercourse at different times, a shorter revision period may be stipulated. If the terms and conditions are revised, the licensee has the right to relinquish the licence within three months of being notified of the revised terms and conditions. If the licence is relinquished, section 10, subsection 4, and section 21, subsections 1, 3, 4 and 5, apply accordingly. If the licence is not relinquished within the stipulated period, the licensee is bound by the new terms and conditions.

If applied to by the owner of the regulating installations, the King may amend the conditions stipulated in a licence granted pursuant to this Act or previous legislation relating to the regulation of watercourses.

The King may issue further regulations relating to administrative procedure in connection with the revision of terms and conditions of licences.

4. At the end of the period stipulated in the regulation licence, the State shall have the right to demand the surrender without compensation of the regulating installations with adjacent land and appurtenant rights, including the buildings and other facilities erected on account of the regulation. In the event of a dispute, the buildings and facilities that the State may demand shall be decided by appraisalment. If the regulation consists of extensions or enlargements of an older regulation, the State may demand the surrender of the parts in all of the installations etc. that belong to the party or parties participating in the additional regulation. If the older regulation is not time-limited, the waterfall owners in question are in that case entitled to service water on the basis of the output of the older regulation in exchange for paying a proportionate share of the expenses for operation, maintenance and refurbishment. This payment shall be set by the Ministry concerned.

When the licence period expires, the regulating installations with appurtenant buildings and facilities shall be in full working order (cf., however, section 21). Disputes in this regard shall be resolved by appraisalment. The licensee is obliged to comply with decision of the court of appraisalment. The court shall decide which party shall pay the costs of appraisalment.

5. If the regulation licence is granted for a period of less than sixty years, it may be stipulated in the licence that for surrender pursuant to subsection 3 a redemption amount shall be paid for all or part of what is surrendered. Unless otherwise stipulated the redemption amount shall be calculated such that the price of parcels of land and rights as well as hydraulic engineering works and buildings shall be their demonstrable cost at acquisition less amortisation according to an amortisation period of sixty years, whereas other appurtenant facilities shall be redeemed at their technical value according to appraisalment at the State's expense.
6. When regulating installations with buildings and facilities revert to the State pursuant to a licence, a portion of the installations or their value, though not over one-third, shall devolve to the municipalities in which the waterfall, power plant or regulating installations are located. In such instances the Storting shall determine the value and the municipalities' shares and apportion these among them. The Storting may also decide that the monies shall be used to set up a fund for the benefit of the municipalities or that the municipalities be paid a share of any profits from the installations.
7. If a waterfall or works owner pursuant to legislation relating to the acquisition of ownership rights owns his waterfall for a limited time only, his share of the regulating installations shall accompany the waterfall when his rights to this cease, even if the period stipulated pursuant to subsection 1 has not expired. Provided this provision leads to surrender without compensation before sixty years have passed, the provisions in subsection 4 may apply accordingly to the individual waterfall or works owner's part of the regulating installations.

Section 11.

1. A condition for a watercourse regulation licence pursuant to this Act shall be to pay

an annual fee to the State and the counties and rural and urban municipalities as determined by the King, calculated according to the increase of the water power obtained by the regulation. The King shall lay down regulations regarding the maximum and minimum rates that are to apply. In laying down the regulations special allowance must be made for changes in the purchasing power of the krone.

After five years, the stipulation of the fee may be re-examined by the licensing authorities.

What is to be regarded in each case as the increase in water power obtained by the regulation shall be decided according to the provisions of section 2, third paragraph, the decision of the Ministry being final. In cases where a watercourse was previously regulated, or when special circumstances otherwise make it desirable, the increase in power in the watercourse or in certain parts thereof may be calculated according to the water flow that arises when the new reservoir is divided evenly by a number of days that corresponds to the longest period of time during which it is reckoned that the reservoir will be in use from year to year. The decision may be made for the entire period of the regulation or for a temporary period of ten years, after which a final decision is made for the remainder of the period.

2. The fee accruing to the State shall be paid into a common fund for the entire country, to be used as further stipulated by the Storting.

The fee to the counties and municipalities shall be apportioned among them as stipulated by the King for ten years at a time. The fee shall be set aside in a separate fund for each county or municipality to be used as stipulated by the county or municipal council. This authority may be delegated to another municipal or county body. In accordance with statutes subject to the approval of the Ministry concerned, the monies in the fund shall preferably be used for local industrial development. The Ministry may delegate the authority to approve the statutes to the county governor. The county or municipality may appeal the decision of the county governor according to rules further stipulated by the Ministry. Statutes for funds under an amount stipulated by the King do not require approval.

3. The fee, on which interest is due as laid down in pursuance of section 3, first paragraph, of Act No. 100 of 17 December 1976 relating to interest on overdue payments, etc., is payable by the individual waterfall or works owners. The obligation to pay the fee commences gradually as the water power obtained by the regulation is put to use. If the licence has been granted to a water management association, the association is liable for the fees payable by its members.
4. Unless laid down by the King, further provisions regarding the payment of the fee and monitoring of water consumption shall be stipulated in each individual case by the Ministry concerned. Payment of the fee is enforceable by attachment.
5. A portion of the fee may be required to be paid in advance, as soon as work has begun. In no case shall this portion of the fee be refundable.
6. If the annual amount of the fee to the State or counties and municipalities comes to less than the minimum specified by the King, and the parties entitled to as well as subject to the fee agree, the Ministry may stipulate that the annual fee be paid in a lump sum pursuant to regulations laid down by the King. In special circumstances the

King or Storting, if the licence is submitted to it, may reduce or waive the fee for a specific period of time.

Section 12. In addition to the provisions laid down in sections 10 and 11, the regulation licence shall stipulate terms and conditions in accordance with the following basic principles:

1. Work must commence within a period not exceeding five years and must be completed within a further period not exceeding five years. The King may grant exemptions from these provisions. The time limits do not include time impossible to make use of due to *vis major*, strikes or lockouts.
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4. The Ministry concerned may stipulate that the licensee be required to guarantee immediate compensation to the survivors of someone who perishes in a work accident during the period of construction.
5. If the licence is expected to result in urban development or a large influx of people, the licensee may be required to cover all or part of the expenditure connected with preparing a zoning plan, and in certain cases, for the land use part of the municipal master plan, as further stipulated by the Ministry.

If the licence entails a substantial encroachment in mountain areas, the licensee may be required to cover all or part of the expenditure connected with preparing a zoning plan and the land use part of the municipal master plan, as further stipulated by the Ministry.

6. The licensee should be required to pay compensation for all or part of the expenditure for maintaining and repairing public roads, bridges and quays, when these outlays are expected to rise considerably as a consequence of construction work. Roads, bridges and quays built by the licensee shall be open to the public, unless the Ministry decides otherwise.
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8. The licensee may be required to pay a compensation to promote agriculture and forestry in the district, either by paying a suitable amount to be set aside in a fund or through annual payments. A similar stipulation may be made for promoting reindeer herding in the district.

The licensee may be required to pay a subsidy to promote fishing in the municipality (or municipalities), either by paying a suitable amount to be set aside in a fund or through annual payments. Other conditions for promoting fishing in the municipality or municipalities may also be stipulated.

Statutes for funds and their administration are subject to the approval of the Ministry concerned. Payment into the funds comes due when the licence is granted, unless otherwise stipulated. If payments into such funds are stipulated as annual payments, the annual amount shall be adjusted in the same manner as specified for annual compensation in section 16, subsection 5, seventh paragraph.

The licensee may likewise be required to pay compensation for expenditure

connected with stepped-up wildlife and fish surveillance during the period of construction.

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11. In the event of war, measures may be taken by the military to blow up dams, without the installation's owner having a right to remuneration or compensation for the resulting inconvenience or limitations with respect to the installation or its use. The owner of the installation must submit without remuneration to any use of the installation undertaken for the purpose of war.
12. Regulation facilities shall be operated in accordance with regulations stipulated in advance by the King. If urgent reasons prevent the regulations from being stipulated at the same time as the licence, it should be done as soon as possible thereafter and in any case before appraisalment on compulsory purchase begins.

Before the regulations are issued, the affected competent State authorities, county or counties, municipality or municipalities, regulation associations, fishery associations or other parties whose interests are especially affected, including those of the public, are to have had the right to comment. The same shall also apply if it is later deemed necessary to amend the regulations.

13. As further specified by the Ministry, the owner of the regulating installation shall carry out the hydrological observations required in the public interest and make the material obtained available to the public authorities. For dams, the permitted head of water and, if applicable, the lowest limit for drawing-off shall be indicated permanently and clearly by a high and low water mark, as approved by the public authorities. Copies of all maps that the licensee had to have drawn for the purpose of the installation shall be sent to the Norwegian Mapping Authority with information on how the measurements were carried out.

The licensee may be required to conduct and defray the cost of follow-up studies of the regulation's impacts on affected interests. The studies with appurtenant material shall be made available to the public authorities. The Ministry may issue further provisions on which studies are to be conducted and who is to conduct them.

14. Without compensation for the installations carried out, the owner shall submit to any further regulation in the watercourse in question that does not reduce the output of the allowed regulation, and he shall provide without compensation the necessary service water for possible subsequent canals constructed at State expense.
15. The licence shall stipulate that the licensee shall surrender to the counties and municipalities in which the power plant is located up to ten per cent of the increase in water power obtained for each waterfall, calculated according to the rules in section 11, subsection 1, cf. section 2, third paragraph. The amount surrendered and its distribution shall be decided by the Ministry concerned on the basis of the county's or municipality's general electric power supply needs. The county or municipality may use power provided as it sees fit.

The licensee may be required in addition to surrender up to five per cent of the power to the State calculated as in subsection 15, first paragraph. The State may freely dispose over the allocated power.

The licence shall have provisions to notify the licensee before power is drawn on or terminated.

The Ministry shall decide how the power is to be surrendered and calculate the output and energy. Power shall be drawn from the power station's transmission substation or the licensee's transmission lines for securing a supply of firm power and a utilisation period as low as 5,000 hours a year. The licensee may not oppose power being drawn from another party's transmission lines, and is in that case obliged to make the power available. The cost of transforming and transmitting the power when drawn from somewhere other than the power station's transmission substation shall be paid by the party drawing the power.

The price of the power shall be set on the basis of the average cost for a representative sample of hydroelectric power stations throughout the country. Taxes calculated on the profit from power generation in excess of a normal rate of return are not included in the calculation of this cost. Each year the Ministry shall set the price of power supplied at the power station's transmission substation. The provisions of the first and third sentences do not apply to licences valid prior to the entry into force of Act No. 2 of 10 April 1959.

No decision shall be made regarding the surrendering of power in pursuance of licence terms stipulated according to the provisions of this subsection, if terms regarding the surrendering of licensed power have been stipulated for the same waterfall pursuant to section 2, third paragraph, no. 12 of Act No. 16 of 14 December 1917.

A decision regarding the surrendering and distribution of power may be brought up for reconsideration after twenty years.

The King may issue further regulations relating to surrendering, distribution and prices.

16. The licensee should be required to avoid the destruction of natural resources and areas when such avoidance is desirable on scientific or historical grounds or for reasons of the area's natural beauty or uniqueness. If such destruction cannot be avoided, the nature conservation authorities must be notified well in advance.

The licensee shall be required to ensure that the installations disfigure the countryside as little as possible, in accordance with further provisions from the Ministry concerned. The licensee is obliged to obtain a permanent right to use disposal sites and other areas necessary for carrying out orders issued pursuant to this paragraph. The licensee shall undertake a proper cleanup of the construction areas and the cleanup must be completed no later than two years after the installation in question has gone into operation.

The licensee should be required to the extent possible to plan temporary auxiliary installations so that they may be of permanent use to the public.

17. Further conditions may be set in the licence, including a requirement to establish an industrial development fund for the benefit of the individual municipality, when in the particular instance this is deemed necessary in the public interest or for protecting private interests that will suffer harm. Payment into the fund is due when the licence

is granted. Otherwise, section 11, subsection 2, third paragraph, subsection 3 and subsection 4, apply to the industrial development fund insofar as they are appropriate. If payments into such funds are specified as annual payments, the annual payments shall be adjusted in the same manner as stipulated for annual compensation in section 16, subsection 5, seventh paragraph.

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19. The licensee shall be required to submit to the verification of his compliance with conditions in the licence or in pursuance thereof that the Ministry concerned deems necessary. The licensee may be required to cover expenses connected therewith.
20. The licensee is liable for compliance with the provisions laid down in the Act or in pursuance thereof.
21. The licence shall stipulate that in the event of an infringement of the provisions of the Act or in pursuance thereof, the licensee shall rectify the matter after being requested to do so by the Ministry. Such a request cannot be made later than twenty years after the end of the calendar year during which the work was completed or the measure went into operation.

For infringement of the provisions of the Act or in pursuance thereof, the license shall stipulate a coercive fine, which either accrues until the matter is rectified or comes due for each infringement. Payment of a coercive fine may be enforced by attachment. Coercive fines received shall go into the same fund as the annual fees to the State pursuant to section 11, subsection 1.

Likewise, the licence shall stipulate that repeated or continued infringements of the most important further specified licence terms common to all who are participating in the regulation will result in the revocation of the licence. In that case the State may demand the surrender of the regulating installation with adjacent land and rights, with the buildings and other facilities erected on account of the regulation, for a redemption amount calculated in the same manner as in accordance with the provisions of section 10, subsection 5. Disputes in this regard shall be decided by appraisal. If the State does not wish to take over the installation, section 21 shall apply accordingly.

Infringements as mentioned in the preceding paragraph of special licence terms for the individual participants in the regulation will result in the lapse of the right of the waterfall or works owner to make use of the service water obtained by the regulation.

22. In respect of waterfalls the regulation of which is expected not to produce more than 1,000 natural horsepower, the King may grant an exemption from the terms and conditions in sections 10 - 12, provided the power is to be utilised for the owner's own needs for light, heat, farm operations, craftsman's trade or small-scale manufacturing or is leased to another party on generous terms for the same purpose.
23. For a regulation that does not result in an increase in water power greater than 3,000 natural horsepower in the entire watercourse, or in an increase greater than 500 natural horsepower in a single waterfall or series of waterfalls that can be exploited as a single waterfall, the King may stipulate that the provisions of section 10, section 11

and section 12, subsections 4, 5, 6, 11, 13, 15, 16 and 17 shall not apply in full or in part.

Section 13. If in order to carry out a regulation project a licensee must dispose over a lake to which in its entirety he does not have title, the licence shall furthermore be made conditional upon the payment to the State of a one-time compensation of up to NOK 3 for each of the natural horsepower obtained by the regulation of the lake, calculated according to the rules in section 11, subsection 1, cf. section 2, third paragraph.

This compensation shall be paid into the same fund as the annual fees pursuant to section 11, subsection 1. As determined by the Storting, the compensation may be transferred in full or in part to the municipalities whose interests are affected by the regulation of the lake. The apportionment among the municipalities shall be stipulated by the King. The provisions of section 11, subsections 3, 4 and 5 apply correspondingly to the aforementioned compensation.

Section 14.

1. A licence for a regulation shall be officially registered. The Ministry may specify the jurisdiction in which the registration shall take place. The Ministry may decide that an extract of the licence shall be registered as an encumbrance on the properties or works in the watercourse for which the regulation may entail obligations.
2. The regulation licence shall not be transferable. The regulating installation or shares therein may not be made over, mortgaged or made the object of a seizure or attachment unless in connection with waterfalls in the same watercourses downstream from the installation.
3. When the installation passes into State hands, the Ministry shall register a notice thereof.
4. All encumbrances attached to the installation lapse when in accordance with the regulation licence it is transferred to the State. If an older regulating installation pursuant to section 10, subsection 3, is also to be transferred to the State, older mortgages, easements of considerable importance, lease rights and similar encumbrances must be removed or yield in priority to the obligations imposed in the licence, including coercive fines pursuant to 12, subsection 21, by the time this licence is granted.

Section 15.

1. When watercourse regulations are carried out by the State pursuant to this Act, the owners of the waterfalls and works that will use the service water obtained by the regulation are obliged to abide by the conditions stipulated by the King with the consent of the Storting.
2. The same applies when a regulating installation or share in a regulating installation pursuant to section 10, subsection 2, is transferred to the State in accordance with an awarded regulating licence.
3. Interest shall accrue from the due date on charges imposed for the use of the service water obtained in accordance with subsections 1 or 2 at a rate of interest as laid down in pursuance of section 3, first paragraph, of Act No. 100 of 17 December 1976

relating to interest on overdue payments etc., and may be enforced by attachment.

Section 16.

1. When a watercourse regulation is to be carried out at State expense or when a licence for a watercourse regulation is issued in pursuance of this Act, every person is obliged to surrender, for compensation as determined by appraisal, the necessary land, built-on or not, including roadbeds, gravel pits or stone quarries, older regulating installations and so forth, and to bear whatever encumbrances and accept whatever damage or curtailments that the regulation might entail to the property or its amenities – in accordance with the plan adopted by State authorities or stipulated in the licence.

As determined by the King, owners and rights holders may be summoned to a compulsory purchase valuation in the manner prescribed by section 1-8 of Act No. 59 of 19 June 1992 relating to rural commons. Service of summons etc. may be performed in the manner prescribed in section 1-7 of the same act.

2. Compensation shall be determined on the assumption that the installation will be permanent.
3. In determining compensation, 25 per cent is to be added to the amount of the value of the surrendered property that is set by appraisal and of that which otherwise is subject to compensation.

Appraisal can decide that the owner of the regulating installation shall undertake measures or payments that in full or in part repairs the damage or compensates for the property surrendered. Such a decision may only be made when the expenses connected with the measure or payments do not, in the opinion of the court, exceed the financial compensation that would have to be paid if the decision had not been made. Land and rights necessary for carrying out the measures may be required to be surrendered pursuant to the provisions of subsection 1, first paragraph, when the appraisal finds that the damage or burden imposed by the surrender is small relative to the advantages attained. The rights holder must be specially summoned. The provisions of the first paragraph and in subsections 2, 5 and 7 apply accordingly.

4. If compensation is not to be paid pursuant to section 13, and the total compensation that is due the owners of and rights holders to land adjacent to a regulation basin, when the increment pursuant to subsection 3, first paragraph, is included or that would have been due them, provided that they were all due compensation pursuant to the present section, does not amount to at least NOK 1 for each natural horsepower obtained by the regulation of the basin, calculated according to the provisions of section 2, third paragraph, the appraisal shall nevertheless increase the increment for each owner of and rights holder to land adjacent to the basin by up to a percentage so high, that the total compensation is equal to the aforementioned amount for each natural horsepower obtained. The number of natural horsepower obtained shall be determined by the Ministry. If compensation for any portion of the land or rights adjacent to the basin is not paid in accordance with this section, the size of the compensation that would have been paid for this portion or these portions if the provisions of subsections 1-3 had been applied shall be determined by appraisal,

insofar as it is deemed necessary to determine whether the present provision shall apply.

5. Compensation for the surrender of and damage to or inconvenience regarding real property, including the increment pursuant to subsection 3, first paragraph, shall be stipulated by appraisal separately for each property as annual compensation, if the compensation is less than the minimum amount determined by the King. Nevertheless, lump-sum compensation shall be stipulated if the property is surrendered in its entirety or a substantial portion thereof is surrendered or the surrendering party demands it.

Previously stipulated compensation under the minimum amount determined by the King may be converted to a lump-sum compensation if one of the parties so demands.

The annual compensation shall be a right that is inseparable from the property and may not be separately transferred, mortgaged or made subject to seizure or attachment. If the property is divided, the entire compensation shall follow the main works, unless an independent farm is detached therefrom. In that case, the Ministry concerned shall decide whether, and if so, how the annual compensation shall be divided.

The Ministry concerned may in an agreement between the owner of the regulating installation and the injured parties consent to monetary compensation instead of carrying out measures and work, if the monetary compensation is used by the injured parties for further specified measures and work for the property.

The appraisal may determine that several injured parties shall be granted joint compensation, either in the form of money for carrying out work or by seeing that the owner of the regulating installation undertakes the necessary measures.

Compensation pursuant to the third or fourth paragraph is due for payment as the work or measure is carried out. The Ministry concerned may monitor the performance of the work.

Annual compensation shall be adjusted every five years on the basis of adjustment standards stipulated by the King. Special consideration shall be taken of changes in the purchasing power of the krone in determining these standards.

In the event of a compulsory purchase, the administrator of the appraisal shall, at the installation owner's expense, see to registering a copy of the transaction, insofar as it is relevant for the annual compensation. This compensation is to be noted for each property on its page in the Register of Land and Land Charges. The payment of annual compensation shall be noted on the condemned property's page in the Register of Land and Land Charges.

When a licence is granted for a limited time and with a provision requiring reversion to the State, the licensee shall furnish such security as the Ministry approves, so that at the expiry of the term of the licence or in the event the licence is relinquished pursuant to section 10, subsection 3, first paragraph, or redeemed pursuant to section 12, subsection 21, third paragraph, an amount is placed at the disposal of the State equal to fifteen times the compensation valid at the time. The

security shall be normally provided in the form of a guarantee from a bank or insurance company. When the State has received this amount, after taking possession of the regulating installation, the State shall be responsible for paying the annual compensation in the future.

6. When a compulsory purchase valuation pursuant to a regulating licence is not summoned within one year after the resolution, the regulation may not be proceeded with without a new licence. When it is deemed unobjectionable, a new licence may be issued in such cases without the provisions of section 6 and of chapter VII-a of Act No. 77 of 14 June 1985 applying.
7. If there is no compulsory purchase following a final compulsory purchase valuation, the party that arranged the appraisalment, shall pay the landowners and rights holders that would have been compensated according to the appraisalment, in addition to the costs imposed pursuant to section 20, remuneration equal to 5 per cent of the value of the measures and work ordered and of the amount of compensation awarded including an increment in accordance with subsection 3, first paragraph, and subsection 4, but in no instance more that NOK 3,000 to each landowner or rights holder. In the absence of an agreement on the value of the measures and work ordered, the value shall be stipulated by appraisalment.

Section 17. (Repealed by Act No. 62 of 19 June 1992.)

Section 18. (Repealed by Act No. 62 of 19 June 1992.)

Section 19.

1. Provided it can be done without inordinate expense or work, the owner of the regulating installation is obliged to undertake such measures and to provide water to the degree that general traffic or the floating of timber is inconvenienced as little as possible. In the event of a dispute, the question of the measures he shall undertake shall be decided by appraisalment. Land and rights necessary for carrying out the measures may be required to be surrendered pursuant to the provisions of section 16, subsection 1, first paragraph, when appraisalment finds that the damage or burden imposed by the surrender is small relative to the benefits attained. The rights holder must be specially summoned. The provisions of the first paragraph and of section 16, subsections 2, 3, 5 and 7 apply accordingly.

Any harm or burdens inflicted by hindrances or inconvenience to general traffic, the floating of timber or fishing and that are not remedied by the provisions of the first paragraph, are to be compensated in accordance with the general principles of compulsory purchase law.

2. The King may grant the owner of the regulating installation a permit to dispose of all the water for the purposes of the regulation, when the preponderant public interest so warrants. The permit shall stipulate the terms and conditions deemed to be required in consideration of the public interests on which the enlargement inflicts harm, or to promote the benefits of the measure to society. The permit does not exempt the holder from the requirements pursuant to section 10 of the Water Resources Act.

The consideration of, and decision on, applications for such permits follow the provisions regarding applications for a regulation licence, insofar as they are

appropriate. For power obtained on the basis of the permit, higher fees may be levied pursuant to section 11 than those stipulated in the terms of the licence for power obtained by regulation in the ordinary manner.

3. Appraisalment pursuant to this section and pursuant to section 16 shall be treated as a single case. Nevertheless, appraisements regarding circumstances pertaining to timber floating may be held separately. Section 21 of Act No. 3 of 23 October 1959 relating to the expropriation of real property applies accordingly for appraisalment pursuant to this section.

4. - - -

Section 20.

1. Members of the court of appraisalment should preferably be appointed from among persons knowledgeable about agricultural and forestry matters of particular importance in the district in question.

The Ministry concerned may issue further regulations regarding the procedure for preparing for appraisalment pursuant to this Act.

2. The costs connected with the appraisalment or reappraisalment pursuant to this Act shall be borne by the party who wishes to carry out the regulation project or who puts it into operation. When the appraisalment is not requested by him, the court may nevertheless release him from bearing up to a fourth of, and in the event of a reappraisalment, up to half of, the costs, provided the court unanimously finds that the request for the appraisalment in question is patently unjustified.

Section 20a. When less than twenty-five years remain of the licence period for a regulating installation that pursuant to licence may be required to be surrendered to the State, the King has the power to issue the licensee a regulating license or the promise of a regulating licence for a new licence period of up to fifty years.

During the last three years of the licence period for a regulating installation that pursuant to licence may be required to be surrendered to the State, the State shall have unhindered access to the installation and have the right to undertake the necessary steps to prepare for the State's take-over and ensure continued operation. However, this must not take place to the exclusion or detriment of the licensee's utilisation of the regulating installation in accordance with the licence. The licensee is obliged to provide such information and such assistance of an advisory nature deemed necessary for the State to be able to protect its interests pursuant to this provision. Expenses connected herewith shall be covered by the State.

Section 21.

1. If the State does not wish to take over a regulating installation upon the expiry of the period stipulated in the licence, and no agreement is reached either on a new regulation licence, the owner is obliged upon the demand of the Ministry concerned to remove the installation within a period of time set by the Ministry.

2. Otherwise, a regulating installation that has been constructed under a licence pursuant to this Act shall not be closed down without the permission of the King. If the Storting had consented to the construction of the installation, its consent must also be

obtained to close it down.

3. In the event an installation is closed down, the owner is obliged to take such action as required by the public authorities to avoid any danger or damage to the surroundings or to properties upstream and downstream from the installation.
4. The obligation to pay annual compensation ceases from the end of the calendar year in which the installation has been closed down.
5. The owner is obliged to pay compensation according to appraisalment for damage or inconvenience the closedown inflicts on property or rights, though not for the loss of benefits that the installation created and for which no compensation has been given, either for reduced compensation for a compulsory purchase or otherwise. He is likewise obliged to pay lump-sum compensation for damage or inconvenience the installation will continue to inflict after it is closed down.

Section 22. The provisions of section 2, second paragraph, sections 3 - 8, section 10, subsection 3, sections 11, 12 with the exception of subsection 21, third and fourth paragraphs, sections 13 and 14, subsection 1, section 16 with the exception of subsection 5, ninth paragraph, as well as sections 19 and 20 apply correspondingly to watercourse regulations carried out at State expense.

Section 23. Following an application from the party who wishes to undertake a regulation for which a licence is not required pursuant to this Act, the King may decide that the regulations in section 9, subsections 3 - 8, shall apply between the party undertaking the regulation and the waterfall or works owners who are supplied with additional service water on account of the regulation.

Section 24. Whoever wilfully or negligently undertakes a regulation of a watercourse without the necessary licence, or contravenes the provisions of, or pursuant to, the Act, shall be punished by fines or imprisonment of up to three months. Complicity shall be punished in the same manner.

Section 25. (Repealed by Act No. 3 of 15 March 1940.)

Section 26.

1. This Act enters into effect immediately.
2. Act of 4 August 1911, with amendments of 20 February 1913, relating to watercourse regulations for industrial purposes, is repealed.
3. This Act applies in the ordinary manner to regulating installations constructed according to licences pursuant to previous legislation, so that the licence is considered to be equivalent to a licence pursuant to this Act.
4. Regulating installations constructed without a licence pursuant to previous legislation may continue without a licence pursuant to this Act.

Regulations

Regulation governing the adjustment of licence fees, annual compensation and funds, etc., in pursuance of watercourse legislation. Amended on 5 Oct 2001, No. 1149

Section 9

Ministry of Petroleum and Energy, 1984-10-12 1758

Regulation governing the delegation of approval authority pursuant to the Watercourse Regulation Act - approval of water management associations' articles of association.

Section 10

Ministry of Petroleum and Energy, 2000-08-25 880

Delegation of authority to the Ministry of Petroleum and Energy pursuant to section 27 of the Act relating to the acquisition of waterfalls, mines and other real property, etc., and section 10, subsection 3, second paragraph, of the Act relating to regulation of watercourses.

Ministry of Petroleum and Energy, 2001-01-19 72

Delegation of authority to the Ministry of Petroleum and Energy pursuant section 10, subsection 3, second paragraph, of Act No. 17 of 14 December 1917 relating to regulation of watercourses.

Section 11

Ministry of Petroleum and Energy, 1993-11-19 1035

Delegation of authority to stipulate a ceiling for payment for industrial development funds the statutes of which do not require approval pursuant to the Watercourse Regulation Act and the Industrial Licensing Act.