



THE
CEYLON GOVERNMENT
GAZETTE

EXTRAORDINARY.

No. 8,108 — SATURDAY, MARCH 2, 1935.

Published by Authority.

PART II.—LEGAL.

DRAFT ORDINANCES.

MINUTE.

The following Draft of a proposed Ordinance is published for general information :—

CW 238/33

An Ordinance to establish a Board for the Administration and Control of Electrical Undertakings.

BE it enacted by the Governor of Ceylon, with the advice and consent of the State Council thereof, as follows :—

1 This Ordinance may be cited as the Electricity Board Establishment Ordinance, No. of 1935, and shall come into operation on a date to be appointed by the Governor by proclamation in the Gazette.

Short title and commencement.

2 For the purposes of this Ordinance there shall be established a Board to be called the Electricity Board of Ceylon which shall be a body corporate with perpetual succession and a common seal.

Establishment of Electricity Board.

3 (1) The Board shall be appointed by the Governor and shall consist of—

Constitution of the Board.

- (a) a Chairman nominated by the Governor ;
- (b) three persons nominated by the Executive Committee of Communications and Works ;
- (c) the Financial Secretary or some other person deputed by the Financial Secretary to act on his behalf.

(2) The Chairman and every other member of the Board shall, upon appointment, hold office for a period of three years : but the Governor may, notwithstanding the term of any such appointment, remove the Chairman or any other member of the Board from office at any time :

Provided that it shall be lawful for the Chairman or any other member of the Board to resign from his office on the Board at any time.

(3) A member of the Board who is absent without reasonable cause from three consecutive meetings of the Board may, by resolution of the Board passed at a meeting of which due notice has been given, be held to have vacated his office; and upon the passing of any such resolution, the member affected by that resolution shall cease to be a member of the Board.

(4) Any person ceasing to be a member of the Board shall be eligible for re-appointment thereto.

(5) If the Chairman or any other member of the Board is likely to be unable to discharge his duties as a member of the Board for a period exceeding one month by reason of absence from the Island or ill-health or other sufficient cause, the Governor may appoint a person temporarily to act as Chairman or as a member of the Board until the resumption of duties by the Chairman or such other member.

Members of the Board to be public servants.

4 Every member of the Board shall be deemed to be a public servant within the meaning of the Ceylon Penal Code.

Right to sue and service of process.

5 (1) The Board may sue and be sued under the name and style of "The Electricity Board of Ceylon".

(2) Service on the Board of all legal processes and notices may be effected by service on the Chairman of the Board. In civil proceedings it shall be lawful for the Chairman to sign a proxy on behalf of the Board.

Authentication of seal of Board.

6 The seal of the Board shall be authenticated by the signature of the Chairman of the Board and of some other member authorised by the Board to act in that behalf and, when so authenticated, shall be judicially noticed.

Conduct of business and procedure.

7 (1) The Chairman may summon a meeting of the Board at any time and shall summon a meeting upon receipt of a requisition therefor signed by two members of the Board or by the Chief Engineer and Manager of the Department.

(2) The Chairman shall preside at all meetings of the Board at which he is present. In the absence of the Chairman from any meeting, the members present at the meeting may elect one of their own number to preside at that meeting.

(3) Three members of the Board including the Chairman or other presiding member shall form a quorum thereof.

(4) It shall be competent for the Board to act notwithstanding any vacancy in their number.

(5) All questions shall be decided by a majority of the members voting at a meeting of the Board. The Chairman or presiding member shall have an original vote on all questions as well as a casting vote if the votes are equally divided.

(6) The Board may regulate its own procedure in any matter not provided for in this Ordinance.

Remuneration fees and allowances.

8 (1) Subject to the provisions of sub-section (3), the Chairman of the Board shall be entitled to receive a salary of seven hundred and fifty rupees per mensem and every other member of the Board a salary of two hundred and fifty rupees per mensem. The Chairman and every other member of the Board shall, in addition, be entitled to receive a fee of twenty-five rupees for each meeting of the Board which he attends.

(2) Travelling expenses at rates approved by the Board shall be paid to the Chairman and every other member thereof when travelling out of Colombo on duty on behalf of the Board.

(3) No person in the employ of the Government of Ceylon shall be entitled to receive any remuneration or fee for his services on the Board other than such amount as may be allowed as travelling expenses under sub-section (2).

(4) No person shall be entitled to receive any remuneration as Chairman or as a member of the Board while another person is acting in either capacity; but a person who is appointed under section 3 (5) temporarily to act as Chairman or as a member of the Board shall be entitled to receive the remuneration payable to the person for whom he acts.

State Councillors not entitled to serve on Board.

9 A person shall be disqualified from being appointed or from acting as Chairman or as a member of the Board so long as he is a member of the State Council of Ceylon:

Provided that nothing in this section contained shall apply to the Financial Secretary.

Duty of member to disclose interest in contract.

10 Any member of the Board shall, if he is interested directly or indirectly in any contract which the Board has made or proposes to make, disclose to the Board the fact and nature of his interest, and shall take no part in any deliberation or decision of the Board relating to such contract and such disclosure shall be duly recorded in the minutes of the meetings of the Board.

11 Subject to the provisions of this Ordinance, the Board shall have full power and authority—

General powers and duties of the Board.

- (1) to take such action as the Board may deem necessary to promote, improve and develop the generation, transmission, distribution and sale of electricity in the Island ;
- (2) to administer the Electricity Ordinance, 1906 ;
- (3) to administer and control the Department ;
- (4) to conserve and harness such water-power resources of the Island as may be required in order to provide an adequate supply of electricity ;
- (5) to undertake the construction and promote the development of the Aberdeen-Laxapana Hydro-Electric Works ;
- (6) to generate, transmit, and distribute electricity for sale direct to the consumer or by bulk supply to licensed undertakings ;
- (7) to purchase electricity from any licensed undertaking, company or person and to convey electricity so purchased for disposal as circumstances may necessitate ;
- (8) to receive and disburse moneys for the accomplishment of the objects for which it is established ;
- (9) to purchase and acquire the plant, equipment and property of any licensed undertaking ;
- (10) to acquire and hold property, movable or immovable, and to sell, transfer, lease, mortgage or otherwise dispose of such property ;
- (11) generally to do all such acts as may be necessary for the due exercise of the powers conferred and for due compliance with the duties imposed upon it by this Ordinance.

12 All movable and immovable property in the possession or under the control of the Department at the date on which this Ordinance comes into operation shall from that date be vested in the Board for the purposes of this Ordinance.

Vesting of property in the Board.

13 (1) For the purpose of general control of policy by the Executive Committee of Communications and Works and the State Council, the Board shall on or before the thirty-first day of March in each year present to that Executive Committee for submission to the State Council—

General control by Executive Committee and State Council.

- (a) estimates of anticipated revenue and expenditure of the Board for the period of twelve months commencing on the first day of October of the year in which the estimates are so presented and ending on the thirtieth day of September of the year next succeeding that year ;
- (b) an annual report on the administration of the electrical undertakings of the Board with audited accounts and statistics together with proposals for the disposal or disbursement of the net profits or surplus funds at the disposal of the Board ;
- (c) proposals and estimates for the development of the electrical generating, transmitting and distribution system of the Board.

(2) The Executive Committee of Communications and Works may, before submitting to the State Council any estimates, proposals, or report presented under sub-section (1), refer such estimates, proposals or report back to the Board for revision or report.

(3) The State Council may refer back to the Board for revision any estimates, proposals or report submitted under this section and if the Board refuses or fails to revise such estimates, proposals or report, the Governor may remove the Chairman and members of the Board from office.

14 (1) All charges made by the Board for electricity sold by bulk or direct to consumers, and for services rendered by the Board, shall be fixed at such rates and on such scales that the revenue derived in any year by the Board from such sales and services, together with their revenue (if any) in such year from other sources, will be sufficient and only sufficient, as nearly as may be, to pay all salaries, working expenses and other outgoings of the Board properly chargeable to income in that year, including the payments falling to be made in such year by the Board in respect of the interest on, or repayment of, the principal of any money borrowed by the Board, and such sums as the Board may think proper to set aside in such year for reserve fund, extensions, renewals and like purposes.

Finance provisions.

The charges under this section may, if the Board think fit, be fixed at different rates and scales for different localities, but so that no undue preference shall be given to any locality.

(2) To meet the cost of the administration of the Electricity Ordinance, 1906, in the area supplied by a licensed undertaking, and the cost of any periodical report or inspection which the Board may deem necessary, every licensed undertaking which generates its own supplies of electricity and does not take bulk supplies of power from the supply system of the Board shall contribute to the Board an annual sum payable half-yearly at a rate not exceeding ten rupees for every thousand units generated per annum by that licensed undertaking. The receipt of such contributions shall not, however, preclude the Board from charging fees in respect of professional services rendered at the request of any licensed undertaking.

(3) All revenue derived from any property vested in the Board or realised by the generation, sale or distribution of electrical energy shall be credited to the funds of the Board.

Power of the Board to borrow.

15 (1) On the approval by the State Council of any proposal submitted under section 11 (1) (c) which necessitates the provision of loan capital, it shall be lawful for the Financial Secretary to advance such moneys out of any loan funds or other funds of the Island on terms and conditions as to interest and repayment as may be approved by the Governor. Such terms and conditions shall take into consideration the economic life of the asset to be acquired, and shall in any case provide for repayment within a period not exceeding sixty years.

(2) Any moneys advanced to the Board by the Financial Secretary under sub-section (1) and the interest thereon shall, until repaid, be a first charge on the property and assets of the Board.

Accounts and audit.

16 (1) The Board shall cause proper accounts and books in relation thereto to be kept, and shall prepare an annual statement of commercialised accounts in such form and containing such particulars as may be prescribed by the Governor on the advice of the Financial Secretary.

(2) The accounts of the Board shall be audited by the Auditor-General.

Interpretation.

17 In this Ordinance, unless the context otherwise requires—

“Board” means the Electricity Board of Ceylon established by this Ordinance;

“Department” means the Department of Government Electrical Undertakings;

“licensed undertakings” means a Municipal Council, District Council, Local Board or other person licensed under the Electricity Ordinance, 1906, to supply electrical energy to the public or for the purpose of electric traction or to lay down electric supply lines for the conveyance and transmission of electrical energy.

Objects and Reasons.

The object of this Bill, which is modelled on the relevant provisions of the Electricity Supply Act, 1926, is to establish an Electricity Board which will be responsible for the administration of the Electricity Ordinance, 1906, and for the control of the Government Department of Electrical Undertakings.

The Board will be empowered generally to take such measures as may be necessary for the promotion, improvement, and development of the generation, transmission, distribution and sale of electricity in the Island and will, in particular, be authorised to undertake the construction of the Aberdeen-Laxapana Hydro-Electric Works.

2. The Board will be a corporation consisting of a Chairman appointed by the Governor, the Financial Secretary, and three others nominated by the Executive Committee of Communications and Works. Clause 9 provides that no member of the State Council shall be eligible for nomination as a member of the Board. In this respect the Bill follows the corresponding provisions of the Electricity Supply Acts of Great Britain and of Northern Ireland.

3. In order to conserve the general control of the Executive Committee and the State Council in matters of policy, provision is made in Clause 13 that the budget of the Board should be presented annually to the Executive Committee for submission to the Council and that the budget should be accompanied by a report on the administration of the electrical undertakings of the Board together with details and estimates of schemes proposed for the development of the generating, transmitting and distribution system of the Board.

E. C. VILLIERS,

Minister for Communications and Works.

Ministry of Communications and Works,
Colombo, February 25, 1935.