

EAST AFR. PROT

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Electric Power Bill 1918

Electric Power Bill & reports may not be  
presented to Parliament before for the  
month - hope

20th inst

20 June 18

This can be taken to the front of

Will you please think the

arrangement with the Govt? as a rule

the latter are first.

V. A. 26619

See draft

27th June

Recurrent Paper

48

British East African Sisal Producers London Committee.

37042

TELEPHONES:  
1172 - LONDON WALL  
3698 - Victoria

CAROL HOUSE  
24, NEW BRIDGE STREET  
121 Victoria Street  
LONDON, S.W. 1  
1919

HIS MAJESTY'S SECRETARY OF STATE for HIS COLONIES,  
Downing Street. S. W.

501

Sir,

A draft of the proposed Ordinance entitled "ELECTRIC POWER ORDINANCE 1918" relating to the generation, transmission, sale, purchase, and use of Electricity in the British East African Protectorate has been received and considered by this Committee representing Plantation owners in B. E. A. and we beg that the Ordinance may not be presented to Parliament before its provisions, regulations and penalties have been submitted to further consideration by those who are informed as to the conditions and needs in British East Africa and who are also informed as to the technical aspect of the subject.

We have set out on an appended Memorandum some criticisms of the Bill which we trust will demonstrate that further consideration is advisable in the interests of the Protectorate.

Our chief concern is that if this Bill becomes Law in its present form, the beneficial application of electrical energy

to the industries of the Protectorate may be seriously retarded.

However applicable the Measure may be to a fully industrial country such as the United Kingdom we do not think that it is applicable to a country in its early stages of development.

In offering this opinion we are fully alive to the necessity of guarding the requirements of the future by providing that the natural Water Power resources of the Country shall not be utilised in a wasteful manner, and that the ultimate establishment of large central electricity supply works shall not be rendered difficult by the existence of a number of small and independent supply works, but we consider that the Bill as drafted ignores what we believe to be a necessary condition of efficient progress, namely, that there should be an intermediate stage during which the Estate owners should be left as free as possible to make such arrangements for the generation and common use of electric power for the purposes of their Factories and for other Economic use as may best suit their present requirements.

Yours faithfully,

*R. G. Brown*

*To the British East Africa and East Rhodesia  
London Committee*

EWO.W.

AT THE MEETING of the BRITISH EAST AFRICAN SISAL PRODUCERS LONDON COMMITTEE at which the appended Memorandum was unanimously approved, the following Plantations in British East Africa were directly represented:

Messrs. Swift & Rutherford Ltd.	Pundamilia.
Messrs. Sisal Ltd.	Makuyu.
Messrs. Maragua Ltd.	Maragua.
Messrs. Thika Sisal Co. Ltd.	Thika.
Davies Evans, Esq.	Thika Ranch.
Messrs. Kabuku Ltd.	Kabuku.
Messrs. The B.E.A. Fibre & Industries Co. Ltd.	Maragua.
	Kibwezi.
	Makungani.
Messrs. ... Ltd.	Kiteto.
Messrs. ... Ltd.	Kibwezi.
Messrs. Atlas Security ... Ltd.	... ..
Messrs. ... Ltd.	... River.
Messrs. ... Ltd.	... in Gishu Plateau.
Messrs. ... Ltd.	Koru.
Messrs. ... Ltd.	Near Port Hall.
Messrs. ... Ltd.	... ..
Messrs. ... Estates.	

British East African Sisal Producers London Committee.

~~CAPL HOUSE~~

~~24 NEW BROAD STREET~~  
121 Victoria Street

LONDON, 21st June 1919  
S.S. 56

TELEPHONES  
4178 | London West  
3698 | C. C. Carter

B. E. A. ELECTRIC POWER ORDINANCE 1918.

MEMORANDUM SUBMITTED BY THE  
BRITISH EAST AFRICAN SISAL PRODUCERS LONDON  
COMMITTEE.

SCOPE OF THE BILL.

The provisions, regulations, penalties, etc. of the Bill are retrospective in their effect and we have in the first instance considered their effect upon existing installations established by Companies owning Sisal Hemp Plantations.

Under Section 3 Sub-section (2) (b) the existing installations are to be subject to the Ordinance with the following consequences:-

- (1) Licenses already granted will be cancelled and the existing installations will operate in future solely under the provisions of this Ordinance Section 3 sub-section (2) (g).
- (2) The electric supply is to be a three phase system, 50 periods per sec. and, excepting in cases of high or extra high pressure is to be at a pressure of 415 Volts between phases Section 49. Sub-section (1) (a).

(3) Existing installations shall before the expiration of 12 months cease supply by any other system and shall thereafter supply by the standard system without expense to consumers supplied by the installation. Section 49. Sub-section (2).

(4) In cases where the system of supply is in accordance with the standard, but the pressure is different, the existing installations shall change the pressure and the standard within two years and without expense to the consumers in respect of their consuming apparatus, etc. Section 49. Sub-section (3).

Note. An extension of time for above changes may be granted by the Governor-in-Council not exceeding 12 months. Section 49. Sub-section (4).

(5) Where Water Power is utilised for power purposes the standard system, referred to in Clause 2 of this memorandum, must be adopted. Section 109 Sub-section (2).

Note. The standard system is not suitable for small power as it is more expensive in first cost and less economical in working. There are a number of small water falls and a larger number of sites on rivers where dams can be erected, which are well suited for the installation of small electric power plants which any engineer would advise should be of the Direct Current type instead of the 3 phase alternating current type enforced under these circumstances by the Ordinance.

- (6) The existing installations shall not, without the express consent of the Governor, place any electric supply line above ground except within their own premises.  
Section 49. Sub-section (6) (e).
- (7) All extensions of existing installations shall conform with the practice recommended by the Engineering Standards Committee of Great Britain.  
Section 50. Sub-section (1).
- (8) A comprehensive set of drastic regulations, restrictions and penalties are imposed by this ordinance upon the existing installations.

NOTE. When these installations were inaugurated the Companies concerned had no knowledge that this Ordinance was impending.

- (9) Large powers are conferred upon the Governor-in-Council in regard to the granting of Licenses (see Sections 50, 142 sub-sections (1) and (2) etc. etc.).

There are some points upon which this authority can apparently impose conditions which are not so far as we can see set out in the draft of the bill. One of these relates to the utilization of Water Power.

One of the Companies, a member of this Committee, has recently been served with a notice by the B. E. A. Director of Public Works in connection with an application for a license to extend an existing small Hydro-Electric installation.

The Notice is worded as follows:-

"It is however, desirable that I should point out to you at this stage that any such extension of plant on present lines will involve you in the necessity and expense of replacing such plant by other, of type conforming to the requirements of the Ordinance within one year from the adoption of the Ordinance or such extended period as his Excellency the Governor might be pleased to allow".

and later on in the letter, after making a recommendation that the proposed extension should be abandoned and a supply obtained from a neighbouring concern, said the words:-

"while necessary modification of your own project, to allow of compliance with the requirements of the Ordinance is taking place."

From the above it will be seen that it is the intention of the Authorities in B. E. A. to impose upon the proprietors of this existing installation, which was planned before the Ordinance of 1918 was drafted, an alteration in their works which must involve them in great expenses, the possible incurring of which could not have been expected at the time the installation was made.

The ground upon which this notice from the Government is founded is that

"your present hydraulic works would not be equal to developing the maximum power available at its site at the lowest stage of the river".

We can find no section of the Ordinance which explicitly gives this power to the Government in B. E. A. to involve the



Company in the loss of several thousand pounds, but presume that the intended action is based upon the wide and general powers conferred upon the Governor or Governor-in-Council referred to above.

We submit that all the conditions and regulations cited above are likely to bear very hardly ~~upon~~ and <sup>unfairly</sup> upon the owners of existing installations.

We are of opinion, based upon our intimate experience of the conditions at present ruling in B. E. A. that existing investments in electrical installations should be definitely protected in the provisions of this Ordinance and that as large a freedom as possible should be allowed in the future to owners of neighbouring Estates to combine for the purpose of joint supply of electric power for their factories and for other purposes.

Co-operation of adjacent estates for power generation and supply has shown itself already to have had very beneficial results. It appears to us that this ordinance is likely to hinder if not to kill the extension of that economic process.

We are aware that foresight should be exercised and proper regard paid to the ultimate requirements of the Country in the cases of small electric power installations erected now, but we think that the Ordinance should include direct reference to this gross method of electric power generation and distribution, and that provision should be included calculated to encourage its extension under certain necessary limiting conditions.

The letter from the Director of Public Works quoted above demonstrates we think unmistakably that action is contemplated under this Ordinance which is likely to bear unfairly upon

existing installations and to hamper future developments the usefulness of which we can supply ample evidence to prove.

FUTURE INSTALLATIONS.

The greater part of the Ordinance deals with future developments of Electric Power.

We note that the Ordinance is made up of an aggregation of sections adopted with no alteration in some cases, and with slight alteration in other cases, from Electric Lighting Acts and Electric Power Bills enacted in the United Kingdom.

We are astonished that such an array of mirage conditions and restrictions should be regarded as appropriate to the B. E. A. Province <sup>at the present time</sup>, and we are strongly of opinion that a <sup>simpler</sup> Ordinance on such ~~lines~~ lines would be likely to be greatly more helpful to the promotion of the use of Electric Power in the Country.

It will be noted that the greater number of the sections of the Ordinance have no kind of application to B. E. A. in its present early stage of industrial and agricultural development. The effect of the introduction of this mass of immediately extraneous ~~will~~ will tend we think to confuse and deter those who would ~~have~~ have adopted electric power for their requirements.

Below we make some comments on Sections of the bill relating to future installations.

(1) While it is open to anyone to install Steam, Gas or Oil Power without Government intervention, if it is decided to use Electric power, the work comes under the numerous regulations in this Ordinance which on account of their technical nature require expert knowledge for their understanding.

Section 3 sub-section (1).

NOTE. So far as we are aware in no other country are users of electric power for their own purposes required to conform with Government regulations.

(2) Methods for charging for electric supply are ~~XXXX~~ imposed upon the licensed distributors (should the consumer demand them) which though for the most part copied from enactments of the United Kingdom appear to us to go further than any other Act in a direction which has been opposed by many authorities.

Sections 68 to 72 inclusive with their sub-sections.

We are aware that the subject of the right principle to adopt in pricing a public utility is a highly controversial one, but on that account we consider that the Ordinance should be so drafted as to be capable of a flexible interpretation in this re-

3st

Section 68 and its sub-sections are practically copied from the Electric Lighting (Clauses) Act 1899. Vict. 52 & 53.

It should be noted that the Act referred to is entitled Electric Lighting Act, whereas the Ordinance under consideration

- (1) While it is open to anyone to install Steam, Gas or Oil Power without Government intervention, if it is decided to use Electric power, the work comes under the numerous regulations in this Ordinance which on account of their technical nature require expert knowledge for their understanding.

Section 3 sub-section (1).

**NOTE.** So far as we are aware in no other country are users of electric power for their own purposes required to conform with Government regulations.

- (2) Methods for charging for electric supply are ~~more~~ imposed upon the licensed distributors (should the consumer demand them) which though for the most part copied from enactments of the United Kingdom appear to us to go further than any other Act in a direction which has been opposed by many authorities.

Sections 68 to 72 inclusive with their sub-sections.

We are aware that the subject of the right principle to adopt in pricing a public utility is a highly controversial one, but on that account we consider that the Ordinance should be so drafted as to be capable of a flexible interpretation in this respect.

Section 68 and its sub-sections are practically copied we find from the Electric Lighting (Clauses) Act 1899. Vict. 52 & 53.

It should be noted that the Act referred to is entitled Electric Lighting Act, whereas the Ordinance under consideration

will apply for the most part to ~~power~~ use of electricity.

We think that there is general agreement in this Country that the two alternative methods set out in this Section are not suitable to the pricing of electric power supply.

In later U. K. Bills provision has been made for a ~~power~~ fixed charge per Kilowatt of Maximum demand with an additional charge for the Kilowatt hours consumed-(See Model Order, Bill and Clauses. 2nd Schedule. Section 1. the price being 10/- per Electrical Horse Power for which the Company is required to make provision and in addition, 1st. 1000 units 3d, per unit rate, etc.)

We have not found the origin of Section No. 71 but we assume that it has been copied from some existing Act.

We venture to ask that this Section be excised. It provides that in cases of agreement as to price between supplier and consumer regard shall only be given to conditions which affect the cost of generation or supply.

This condition rules out all adaptation to market prices of different applications of Electrical energy which system is regarded by most Economists of all Countries as constituting a beneficial method of pricing. All Railway and all Shipping Companies charge for their services in accordance with this principle and such method is not regarded as an infraction of the "undue preference" Clause which is common to the Railway and Electric Supply acts in this Country.

and Canal Act 1888 Vict. 51 and 52,  
 "water" is defined (Section 55 sub-section  
 1). It is proposed we think that the same definition ap-  
 plies to the term inserted in the Electric Supply Acts.

In a recent V. K. Provisional Order the following  
 clause is inserted:

"no higher rates to persons using energy for similar  
 purposes".

This clause is based on the principle of equalisation  
 to market price which is at least kept out  
 in the B. E. A. Order.

It is proposed that some adaptation of price  
 according to the use (Electricity is used for  
 power, heat, etc.) a large variation can be obtained  
 in a given area and it has been established that in the case of  
 Electricity supply a large variation in the cost per  
 unit of production.

Consequently the main cost per unit being lower,  
 a lower price can be charged than if the principle of charging  
 rigidly according to the estimated cost of supply to the con-  
 sumer were adopted.

The principle advocated by many as being the best  
 cost of service and value of service should be taken into  
 in pricing electricity.

(3) As in the case of existing installations, under  
 the first part of this memorandum suppliers of electricity will

in future be subject to the intricate control of this Ordinance of 87 pages of regulations, penalties, etc.

The keeping of separate accounts subject to Government Audit is a condition which many suppliers on a small scale will find it very difficult to comply with.

On the whole question we ask for a simplification of the measure, based upon a study of the local conditions in place of the adoption of an elaborate Government control which, however well adapted to such countries as the United Kingdom, cannot we think operate successfully in the British East African Protectorate for many years to come.

# British East African Sisal Producers London Committee.

514

TELEPHONES

4172 LONDON WALL  
4173 THE COVE

CAPEL HOUSE.

21, NEW BROAD STREET.

LONDON, 21st June 1907

E. S. H.

## SUGGESTED AMENDMENTS OF THE DRAFT OF THE

P. E. A. "ELECTRIC POWER ORDINANCE" 1918.

It is suggested that the draft of the Bill should be altered to provide that:-

Proprietors of existing installations shall, while being required to conform as far as possible with the technical provisions <sup>or</sup> regulations of the Ordinance, not be required to incur any serious expense in doing so, excepting in cases where the existing works may have been <sup>so</sup> planned or constructed as to constitute a public danger owing to neglect to conform in the past with the then approved practice in this respect. The extension of existing installations shall, so far as such extensions form an integral part of the original scheme, likewise be relieved from the necessity of being carried out in conformance with the technical provisions and regulations of the Ordinance, excepting as provided above (Clause No. 1.)

The Licenses already granted shall not be cancelled in cases where doing so would involve the Licensees in loss which they could not have foreseen when carrying out the necessary works under such Licenses.



British East African Sisal Producers London Committee.

Ref. 37042-1919

RECEIVED

TELEPHONES

~~XXXXXXXX~~ Victoria.

JUL 1919

~~XXXXXXXXXXXXXXXXXXXX~~  
121, Victoria Street, S.W. 1.

London, 30th June 1919.

~~XXXX~~

The Under Secretary of State for the Colonies,  
Downing Street .  
Westminster. S. W. 1.

Dear Sir,

I thank you for your letter of the 28th inst. and shall be glad to attend at Downing Street at 3 o'clock on Wednesday next for the purpose of meeting Mr. Bush and Mr. Bottomley in accordance with the arrangement you have kindly made.

Yours faithfully,

*(Signature)*

R.W.C.