

EAST AFR. PROT.

CO
39973

39973

Kairoi Electric
Power & Lighting Co. Ltd.

Concession

1913

19 Nov.

Last previous Paper.

M.O.
39994

Submits reply in detail to Co terms of proposed Concession. Agrees generally, & expresses thanks for Concession given. States views and asks for further interview regarding Co's right over fall now in use after transfer of Company's works to the State.

Mr. T. Dwyer in J. Fiddes
K. P. B.

The Co. reserves the question of the dam & wish to discuss further. As they do not say what they want we must either agree to see how they look or say outright that the S. G. B. will not give anything - i.e. that they must relinquish their rights over everything at Ruera which they do not take away. If I think worthwhile with the length to call?

What replies

Room 3

I agree. May have accepted all on their suggestions.

CO - 21/11/13

R. 21/11/13

Old Letter
Mr. Dwyer in Mr.
Copy for Engineers 5 Dec 4.6.17

Next subsequent Paper.

Mg
40800

21/9 duty on
3114 materials
V. & J.

Telegraph

C O
30373
20 10 13

THE NAIROBI ELECTRIC POWER & LIGHTING COMPANY



50, MARK LANE

LONDON, 19th November 1913.

Reference No. 17257/13.

Sir,

Your letter of the 5th November, the receipt of which has already been acknowledged, was laid before our Board of Directors at their meeting to-day, and after expressing their regret that they have been unable to reply before, owing to the fact of the temporary absence from England of their Consulting Engineer, I am directed to inform you as follows:-

1. In regard to the alterations in the Concession outlined in your letter, it will be agreeable to the Company that the Nairobi district shall become that suggested by you, and that the definition of the Undertaking shall be also as suggested.
2. The Company will undertake the obligation to supply electricity for lighting and power purposes until the 8th April 1956, with the exclusive right to sell electricity within the district until the end of the year 1918.

The Board regrets that there appears to have been a misunderstanding between His Excellency the Governor and Mr. Bayldon as to whether this date should originally have been 1916 or 1926. Mr. Bayldon certainly noted it at the meeting between His Excellency and himself as being 1926, which was agreed to, but possibly the similarity between the dates may have accounted for the misunderstanding which has arisen.

* No

4207/13

19055-28

The Board feel that the termination of the monopoly in 1918 is considerably earlier than they would have liked, but they are most desirous of meeting the views of the Secretary of State and the local government, and they therefore accept the suggested date.

3. In regard to the date of transfer to the Thika Fall, the Board feel that though the fixing of a time limit, as suggested in your letter, of ten years, in which they have to decide upon leaving their present Fall, and proceeding to the Thika, is not altogether satisfactory to them, they appreciate the force of the Secretary of State's remark that "he does not consider that there would be any further justification for reserving the Thika Fall for the use of the Company, if the full supply of power is not required within the period of ten years"; and they therefore accept the suggestion made.

4. In regard to the Falls reserved to the Company but not at present in use, the Board is agreeable to them being used by others as suggested, the natural flow of the river to their works, of course, not being interfered with, and they hope that the termination of these negotiations is sufficiently in sight to enable the Secretary of State to deal with the application of Mr. Talbot as he may desire.

5. In regard to the Fall now in use, the Board are agreeable that if the transfer to the Thika does not take place in five years the land-holders above the Fall should have a

3.

reasonable amount of water for irrigation purposes, in quantity and at hours, to be agreed upon later, as will least interfere with the generation of electricity for the requirements of Nairobi.

6. In regard to the Company's rights over the Fall now in use, after the transfer of the Company's works to the Thika, the Board regret that they have to ask the Secretary of State for a small alteration of the suggestion as it now stands. They desire to emphasise that in asking for such alteration they do so in no spirit of merely asking for a little better terms, for the sake of making a better bargain, but that it is because they feel that the absolutely unfettered use of the present works might prove a real and grave menace to the Company's operations.

As they do not, however, propose to ask to restrict the use of the power of the Fall by any bona fide land-holder in the neighbourhood wishing to use it to assist in the development of his land, they hope that there is no insuperable difficulty between the Secretary of State and themselves on this point. They would therefore suggest that their Managing Director, Mr. Bayldon, should have another meeting with the Officers of the East Africa Department on this particular point, and put before them the Board's view of the matter, possibly a little more fully, in the hope that some definition may be arrived at which would safeguard the Company's interests from unfair competition, whilst at the same time being no bar to the utilisation of the Fall in the development of the country.

7. On the question of wayleaves they are glad to note that the matter will be settled once and for all by the introduction of an ordinance which, while protecting the interests of the land-holders, prevents obstacles being placed in the way of the proper development of electrical supply, by individuals for the purposes of personal gain at the expense of suppliers.

8. In regard to the supply of electricity outside the district, the suggestions made are quite agreeable to the Company, and as is also the power of the Government or Municipality to expropriate after 1956 at intervals of five years instead of ten.

9. In regard to revision of rates, the Company is agreeable to the suggestions made, and in regard to Clause 15 of your letter on the subject of expropriation, the Company is agreeable to the conditions proposed to be laid down.

10. The Board wish to thank the Secretary of State for the proposed alterations in the Customs Tariff Ordinance, so as to provide for admission free of duty of all materials required for the purposes of electric power and lighting, an alteration which they are sure will be of great benefit to the electrical industry throughout East Africa.

11. They also note that the Company's suggestion on the subject of stand-by supplies is accepted, and they would respectfully thank the Secretary of State for the consideration he has given to their arguments on the many points which have been at issue, and trust that there is now practically nothing in the

way of a final and speedy settlement of this whole question.

etc
I have the honour to be

Sir,

Your obedient servant,

FOR AND ON BEHALF OF

THE NAIROBI ELECTRIC POWER & LIGHTING CO., LTD.

J. J. Smith
Secretary.

The Under Secretary of State for the Colonies

Colonial Office

London, S. W.



39973
13
E.A.P.

321

21. Nov 1913

Sir

I am to ask the recd of

Your letter of the 19th of Nov,

on the subject of the new agreement

between the Govt of the E.A.P

and the Nairobi Electric Power and

Lighting Company, and to suggest

that Mr Bayliss should call
at this office ^{in order to} discuss the matter
further

DRAFT

The Secretary

The Nairobi Electric Power

Lighting Co. Ltd

MINUTE. 21/11/13

Mr Jewell 22/11/13

Mr Bottomley 22/11/13

Sir G. Fiddes.

Sir H. Just.

Sir J. Anderson.

Lord Emmott.

Mr. Hargrave.

46800

* No 39973