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Form: Conf  
Field 101

NAIROBI ELECTRIC POWER AND LIGHTING COY

1913

August

Last previous Paper

1799

Fwd copy of letter enclosing memo: on negotiations pending between Coy and Govt together with covering letter from London Office. Encloses also comments of Attorney General. In view of considerable differences between proposals now put forward and those originally agreed to recommends further negotiations in England.

W.B. Stansley

The duplicate of this despatch was given to the P. D. for printing.

The story of this concession is set out at length in the report of the C. & A. Committee dated 23 July 1911 in C.O./25007/11. The result of the commission was given to this matter was to do nothing at all. But

subsequently the Company changed its ground ~~proposals~~ & admitted that they wanted to arrive at a some new arrangement for their own sales.

Previously they had maintained that the proposed move to the Thika falls was in the interests of the Government, that the Govt. must make it worth their while to go & that the Govt. must

Molnar's New 3729

Small: W. 20 807-22  
Small: 1112 A. 22 W.

Next subsequent Paper

21  
1889

submit proposals. When the C.  
approved a more reasonable  
altitude, their proposals were  
considered fully by the local C.O.  
appointed by the only [copy/submit].  
The Concavins (to be examined  
then in detail [copy/submit]) - +  
the Gov. was informed on the 7<sup>th</sup> of Nov.  
last that the proposed ~~arrangements~~  
arrangements, in which it was  
understood that the C.O. & the local  
Gov. had agreed, were approved.  
& the Gov. was asked to submit  
in 1910, from the new agreement to  
embody these arrangements.

It now appears that there have  
been further postponed negotiations  
in the Gov. & the Gov. has sent  
us a ~~lot~~ lot of memoranda  
embodying the Gov's views & the  
local Gov's views, ~~arrangements~~ &  
having given kind of the whole  
thing he wishes the C.O. to  
carry on negotiations direct with  
the Gov's directors in London.

What I suppose there will come  
to, if the suggestion is adopted  
is that Mr Baylton should be asked

to come to the office & to discuss  
the matter with the head of the  
Dept.

181

The encl: to this Dep. are at  
present in a rather inconvenient  
form, but when printed it will  
be easier to deal with them.

I had started to write a detailed  
minute on each of Mr. Tomlin's points,  
but on reflection this seems only  
to add words to words. There is  
already too much writing. Speaking  
generally, I think the Governor  
& the Dep. have covered all the  
ground satisfactorily.

As to procedure, I would suggest that  
that a small C.O. (or Mr. W. Pennington  
should sit) should meet informally  
as soon as possible - ~~with~~ <sup>that</sup> a file  
of the printed copy from Coy 23005/11  
should be circulated to each member  
in advance. That they should work  
through the various clauses,  
indicate their concurrence or dis-  
agreement with each recommendation  
& then we shall be in a position

To ask Mr Baylton to come to the office & to discuss the matter.

I understood that he saw Mr Read some time ago & wanted to be given an opportunity of offering views on any course from the Pt. in this subject.

all

Wm G. Fuller 24/11/13

So far as the five years the Bill proposes to allow for the lease of mines seems much too long.

Mr. Thompson is naturally & I suppose into this in the first instance?

W. G.

24/9/13.

Alone

W. G. Fuller 25.9.13

Mr. Thompson  
Mr. Fuller

We discussed this on Monday and I gave a statement of our suggestions arranged according to the clauses of the proposal of 1906.

The last sentence of the Bill means that those numbered B & C were not I think touched in a discussion and is not referred to by the local Govt.

There is no reason to suppose that the Co. will have any difficulty in completing their negotiation for the land they have already "mined" at Thika but I suppose he must give the undertaking of selling.

In connection with the other remarks on Clause 14, it had not occurred to me that if 1916 was inserted here at the end of the monopoly, the Co. will actually go to Thika without any exclusive rights. It is possible that the Co. have understood that they would have 10 years monopoly after going to Thika & that the 1926 date they mention is especially put in to give effect to what they supposed to be the intention.

There is the further point as to certain types of cables or referred to in my memo. I think we should telegraph to the Govt to make sure that the law considered & reported by Mr. G. G. G. is in force for 4789/12, & while we are about it we might telegraph to (1) & (2) also.

Subject to these points, & to our suggestions being approved, I think we might ask Mr. Baylton to

(1)

(2)

(3)

to call & discuss the matter personally  
This will be possible thru correspondence

I am not sure as to the form of  
the instrument, which will be  
necessary. I presume it would be  
a Supplementary Agreement providing  
for the transfer to the Co. (or the  
Co. raising the necessary additional  
capital), and buying down our  
claims to be substituted for those  
of the 1906 Agreement, & other  
claims of that Agreement to remain  
a force

In the Committee report of 1880  
it was suggested that a new or the  
new agreement be made to  
Ruera land holder, should be allowed  
to a percentage of the Ruera water for  
irrigation purposes & the Ruera Co.  
understood to agree. This should  
be included in the new agreement  
as the existing law needs for irrigation  
will arise if there are any serious  
droughts before the proposed scheme  
shall be adopted.

W.C. 15/10/13

I agree generally  
There with I think have to  
be a supplemental agreement  
but we need not concern ourselves  
with the form of it his the  
points are all settled  
C.G. 15/10/13

+ J. When we have settled up  
with Mr. Raydon, I take it that the  
new <sup>one</sup> agreement should come before the  
Committee etc. as they had their say  
in the previous negotiation

H. J. R.

15/10/13

I am content to accept the conclusions  
of Messrs. Reid, Tennison & Botting, there  
are no comments.

As proposed

Approved

W.C. 16/10/13

Transit Electric Light & Concession

Discussion of 14. 10. 13.

References numbered A, B are to point of 32/31  
 answered - A. to the Attorney General's  
 memo, with to former's comments, & B. to  
 the Company's memorandum ]

Clause 1 Transit District Agreed to drop A 1

the question of redefinition raised

in S.P. 32289/12 (para. 5 (3)), as  
 will not suggest anything here.

Agreed that the 3 mile zone may A 2  
 be included as in the case of the  
 Rovers main under the existing  
 agreement.

"The Utility" Agreed that land A 3  
 should be included - i.e. all  
 "land, buildings, works."

Clause 2 The Govt. Dept. of <sup>Co.</sup> Public Works Agreed A 4

to supply electricity during  
 the extended period during which  
 there will be no monopoly. The

Co. say "authorised" Agreed that B 7  
 to show try to limit the obligation  
 the case of default being provided  
 for in clause 21.

Clause 3 Sale of transfer to The Co. A 5 B 1

Two  
 years or proposed in S.P. 32289/12  
 (p. 6 of print, para. 8) as ~~the~~ maximum  
 the maximum period for creation  
 but the Co. are to install an  
 auxiliary plant at transit which

will always be useful in emergency &  
they, with the same felt, will be sufficient  
for present necessities. In view of the  
large amount of work involved at various  
times that have resulted in 5 years of the former  
projects.

A6 B2

- Parties are of
- (a) Rainey Falls Agreed that acquisition  
should be part
- (b) Rainey Works Recommended that we should  
simply say that the Co. should purchase  
this work or in transfer. If it is  
desired to take over any particular  
building, a special program would be

low at  
likely to

B3

have  
been that only 1/2 the to be covered (of 300 pp for 60 pp...)

A7

Clause 14 should be taken acquired from  
landowners. Considered (with the  
foreman) unnecessary to acquire the  
lands for Govt. now. The clause of  
"land" in the indenture under  
Clause 1, should provide for the possibility  
of acquisition by purchase.

A8 B4

Clause 5 - Weyburn. The Tramway Pipe Line  
Ordinance (1909/10), considered with  
a call on 3074 pp. Attention should be  
drawn to this.

A9

Clause 8 - Agreed that date for completion or  
completion in Cl. 3 should be substituted

Clause 9 & 10 - Agreed that Woodsport or  
Empire and Weyburn. The Co. is  
therefore going to acquire

A10

185

Clause 14 - Exemption of monopoly. The  
1976 is obviously a slip for 1976  
(but see minute)

A11 B5

Clause 17 - Slightly outside the District.  
Agreed that the clause should be  
proposed by the Attorney General - i.e.  
that it should not be enough for  
the Co. simply to show that common  
sense the District would not be  
prejudiced.

A12 B6

Clause 20 - Extension beyond 1956. Just then  
take over. Agreed that nothing should  
be said as to possible extension to  
the A.G. Court, but the present  
agreement (i.e. 1931) is a slip for 1956  
1931

A13 B7

Revision of rates. In the first  
contract as to revision at 12  
months notice after 1931 and  
para. 5(2) of J.O. 31285/72, and  
of Clause 20 (1st of page 10) of  
the by-laws. Agreed that  
it must be provided for

A14 B8

Clause 22 - Expropriation  
[? "Land" should be  
included as one of the factors to  
be taken into account in defining  
the value of the land taking. See  
Clause 11.]  
Expropriation before 1956. See this  
is accepted - see A. 13.

1 page  
16

159

Expropriation

A 15. B. 10.

Expropriation after 1956 - not accepted as extension beyond 1956 is not required (see A. 13)

A 16.

Quantities of plant & outside the district the expropriation. The A.G.'s four proposals would enable the Govt. to take over that work they wanted & leave the rest to be removed. Agreed  
A. B. to proposal 1. - care would have to be taken that any works at Ruera not removed under clause 3 (A.G. B. 2) are not included. There should be no difficulty about this, as although the Ruera works are apparently outside the district (i.e. the 3 mile zone) under the present agreement they would presumably not be included in the new 3 mile zone.  
As to proposal 4, the word 'services' others to be used.

A 17 B 4 Clause 27. Customs description

The question of use construction of cables, & wires, & boots, was dealt with - Govt/4/189, since it was pointed out that this material used for carrying of electric light & to the common use, induct in relation with other suitable lighting materials, such as oil. The A.G. now proposes to exempt this material, like the

machinery, when the Govt. needs to have to take. The Govt. would drop the duty of some. The duty on the wire cables would be heavy, but it is not clear that Dr. P. Guionard's views have been carefully considered & the stated matter was.

180

Govt

15/10/13

Strasby supplies

Agreed

A 18 B 2

15.10.13

Subject to my original note to A.G. B. 2 (6)

I agree Govt. 15/10/13

J. J. R.  
15/10/13



GOVERNMENT HOUSE,  
NAIROBI,  
BRITISH EAST AFRICA.

21st August 1913.

32131  
15

AFRICA PROCEEDINGS

CONFIDENTIAL No. 102

Sir,

With reference to my Confidential

*g  
7/2/13*

despatch No. 16 of the 7th of February, I have the honour to forward herewith a copy of a letter from the Manager of the Nairobi Electric Power and Lighting Company, Limited, enclosing a copy of a Memorandum on the negotiations at present pending between the Company and the Government, together with a covering letter from the London Office.

2. I attach also a copy of the comments made on the Company's Memorandum by the Attorney General, on which I have marginally inserted my own observations.

3.

THE RIGHT HONOURABLE  
LEWIS HARCOURT, P.C., M.P.,  
SECRETARY OF STATE FOR THE COLONIES,  
DOWING STREET, LONDON, S.W.



3. You will observe that there are very considerable differences between the proposals now put forward by the Company and those originally agreed to by this Government, and I accordingly have the honour to recommend that any further negotiations may be conducted in England and the agreement drawn up as a result of discussion between yourself and the Company's Directors.

I have the honour to be,

Sir,

Your humble, obedient servant,

*H. Conway Bampfylde*

GOVERNOR.

Copy INCLOSURE  
Is numbered No. 101 of 21-8-1913

C.D.  
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15 SEP 13

189

THE NAIROBI ELECTRIC POWER AND LIGHTING COMPANY, LTD.

Nairobi, E.E.A. 24th April 1913.

The Honble the Chief Secretary  
to the Government.

Dear Sir,

We beg to enclose herewith a copy of  
Memorandum of negotiations between the Nairobi  
Electric Power and Lighting Company Ltd. and  
His Excellency the Governor also accompanying  
letter, which we have received from our London  
Office.

Yours faithfully,

For the Nairobi Electric Power & Ltg. Co. Ltd

Ed. CHAS. UDALL.

Chief Engineer & Manager.

50 Mark Lane  
London E.C.

190

To the Honorable  
The Chief Secretary to the Government,  
Nairobi,  
British East Africa.

Sir,

Our Managing Director, the Hon. R.C. Baylton, on his return to England reported the position of negotiations between the Government and himself, acting on behalf of the Company, with regard to the proposed alterations in the Concession, and that before leaving Nairobi he had had an interview with His Excellency, at which you were present, at which all the outstanding points were discussed, and at which he understood His Excellency would be prepared to agree to certain modifications in the previous proposals for the utilisation of the Thika Falls, in place of those provided for in the present Concession.

Mr Baylton reported that His Excellency had stated that he would like the suggestions then tentatively agreed upon by him to be laid before the Company's Consulting Engineers and Board of Directors, and if acceptable, sent to him with an assurance that these terms would be acceptable to the Company for a final settlement of the whole question.

The matter has now received their due consideration and I have the honour to enclose copy of Memorandum on the position of the negotiations which was read before the Board, and a copy of a Resolution accepting the proposals

proposals contained therein. I am instructed to say that the Memorandum is not compiled in set language with a view to its actual wording being incorporated in the new Contract, but is merely intended to put into words the effect that the alterations will make in the present concession; our Managing Director having informed us that he anticipated that the Government would prefer their legal advisers to draft the actual alterations themselves.

You will notice that on the advice of the Consulting Engineers, the Company asks for one extra Clause which was not embodied in the understanding arrived at between His Excellency and Mr Bayldon, and this is a Clause headed "Supply of electricity to premises having separate supply". The Clause has been extracted from the Amendment of the Act found necessary in England, and its cause and effect are, we think, so clear from its actual wording, that it is hardly necessary to write at length upon it. Should there be any hesitancy upon the part of the Government to agreeing to its inclusion, we have instructed our Chief Engineer and Manager to wait upon you at your convenience to state the Company's case for its necessity, for your consideration.

Upon receipt of your confirmation that the substance of this Memorandum is, as we understand, agreeable to the Government, we propose to take immediate steps for the laying down of the auxiliary plant mentioned therein.

I have etc.,

For and on behalf of

THE HAIRGBI ELECTRIC POWER & LIGHTING CO. LTD.

Ed. C.A. HIGLETT,

Secretary.

RESOLUTION.

That the Company is prepared to agree to the alteration of the present Concession in such manner as to carry into effect the proposals outlined in the Memorandum attached hereto, and that the Government of the East Africa Protectorate be officially informed of the Company's acceptance of the same.

(51 & 52 Vict.) ELECTRIC LIGHTING ACT, 1888. (Ch.12)

Goal of  
 s 46 Vict.  
 66 s. 27

base of  
 undertaking by  
 local authority.

2. Section twenty-seven of the Electric Lighting Act, 1888, is hereby repealed, and in lieu thereof the following provisions shall have effect: that is to say,

Where any Undertakers are authorised by a provisional order or special Act to supply electricity within any area, any local authority within whose jurisdiction such area or any part thereof is situated may, within six months after the expiration of a period of forty-two years, or such shorter period as is specified in that behalf in the provisional order or in the special Act, from the date of the passing of the act confirming such provisional order, or of such special Act, and within six months after the expiration of every subsequent period of ten years, or such shorter period as is specified in that behalf in the provisional order or in the special Act, by notice in writing require such Undertakers to sell, and thereupon such Undertakers shall sell to them their undertaking, or so much of the same as is within such jurisdiction, upon terms of paying the then value of all lands, buildings, works, materials, and plant of such Undertakers suitable to and used by them for the purposes of their undertaking within such jurisdiction, such value to be in case of difference determined by arbitration: Provided that the value of such lands, buildings, works, materials, and plant shall be deemed to be their fair market value at the time of the purchase, due regard being had to the nature

and then condition of such buildings, works, materials, and plant, and to the state of repair thereof, and to the circumstance that they are in such a position as to be ready for immediate working, and to the suitability of the same to the purposes of the undertaking, and, where a part only of the undertaking is purchased, to any loss occasioned by severance: but without any addition in respect of compulsory purchase, or of goodwill, or of any profits which may or might have been or be made from the undertaking, or of any similar considerations. The Board of Trade may determine any other questions which may arise in relation to such purchase, and may fix the date from which such purchase is to take effect, and from and after the date so fixed, or such other date as may be agreed upon between the parties, all lands, buildings, works, materials, and plant so purchased as aforesaid shall vest in the local authority which has made the purchase, freed from any debts, mortgages, or similar obligations of such Undertakers or attaching to the Undertaking, and the powers of such Undertakers w in relation to the supply of electricity under this Act or such provisional order or Special Act as aforesaid within such area or part thereof as aforesaid shall absolutely cease and determine, and shall vest in the local authority aforesaid.

## THE NAIROBI ELECTRIC POWER AND LIGHTING CO. LTD.

Memorandum of Position of Negotiations to date embodying substance of proposed Amendments to existing Contract, compiled from correspondence of the Government and the Company, and Managing Director's notes of interview between with H.E. the Governor immediately before leaving Nairobi for England.

Present Concession Clause No.	Subject.	Alterations.	Notes.
1.		No alteration.	
2.		No alteration.	
5.	Use of water power by Contractor.	<p>A. The Company ... to use the one Ruera Fall at present in use until such time (see Note) as they cease to use it and the proposed auxiliary Plant in Nairobi, for their main supply, at which time, in lieu of these Falls and all others provided for in Clause 3 paragraphs 1 and 2, the Company to have the right to use the Thika Falls, situated some 16 miles below the Fort Hall Road.</p> <p>Government to guarantee to the Company that the falls mentioned in the original Concession, and the works then abandoned shall not be used by Government or allowed to be used by others for the purpose of the generation of power at any time during the period of the Company's operations. The Company has secured necessary land to enable the use of these Falls to be made but in the event of any complications which might possibly arise due to the protraction of these negotiations, Government the Company undertakes to assist the Company, should it be necessary, by giving them powers of compulsory purchase.</p> <p>B. The Government grants to the Company the right to use for power</p>	<p>The intention being that, whereas the developments of British East Africa are not at present sufficient to warrant the immense increase in power supply as would be provided by an immediate removal to the Thika River, if the same were developed to its best advantage, a subsidiary Plant developing power by other means than water should be provided by the Company on a site to be granted by the Government in Nairobi, to meet the growing requirements of the place until the expenditure on the large scheme is justifiable.</p> <p>The great benefit of this to the district is apparent in that this auxiliary plant will be available as a stand-by later in case of accident or interruption to the transmission lines from the Thika.</p> <p>The Company will give Government the fullest information as to their position in this matter, should they desire it.</p>



Concession  
No.

Subject.

Alterations.

Notes.

purpose the whole flow of the Thika River at any moment at their intake gate, and undertakes to reserve for the Company (as against others for irrigation or other purposes) at least one-half of the natural flow of the river as it would be at any given time, if such quantity of water is required by the Company for the purposes of the Concession.

No alteration.

Wayleaves

Should the Company prove to the reasonable satisfaction of the Governor that they are unable to obtain reasonable Wayleaves (such as the Government and the Municipality give under these Clauses) for their necessary poles and wires, from landholders through whose lands the Government is at present unable to grant Wayleaves, the Government undertakes to give the Company statutory powers to enforce Wayleaves, the Company paying for all damage caused to the landholders by their operations.

To be added.

No alteration.

Right reserved to Government to produce electricity.

The monopoly of sale of electric current shall terminate in 1926 instead of 1931, after which date electricity may be supplied by others within the district under license granted by Government.

No alteration.

Present Concession Clause No.	Subject.	Alterations.	Notes.
17.	No electricity to be supplied from consumption outside Nairobi district.	Should the Company desire to supply current to any consumer outside the Nairobi district, they shall be permitted to do so by the consent of the Governor in each particular case, on shewing that the supply to consumers within the district will not be prejudiced thereby.	
18 and 19		No alteration.	
20.	Extension of the 10 years term for a further period of 15 years.	<p>A. At the expiration of the 15 years period referred to (that is, in 1931) the Company to be authorised to supply, under the terms of the Concession, for a further period of 25 years, and if not bought out by the Government at the end of this further period, to continue to supply, the Government having the right to purchase the undertaking at the end of each 10 yearly period thereafter, in accordance with the provisions of Section 2 of the Electric Lighting Act of 1888, chapter 12 (attached).</p> <p>B. At the expiration of 5 years from the signing of the new Agreement embodying these terms, the maximum price chargeable for current may be reduced to 6d. per unit if the Governor (acting in the capacity of Arbitrator for this particular purpose) so directs.</p>	
20.		No alteration.	

Present Concession Clause No.	Subject.	Alterations.	Notes.
22.	Undertaking to be taken over by Government in certain events.	<p>At any time during the extended period of 25 years (1931 to 1956) either the Government or the Municipality may, by giving one year's notice of their intention to do so, acquire the Company's business at a price to be fixed by arbitration. In fixing such price, the compulsory purchase, the goodwill, loss of profits, etc., and interest of the Company in the Concession until 1956 is to be taken into consideration.</p> <p>After 1956 the purchase may be made by the Government or the Municipality as per Section 2 of the Electric Lighting Act of 1888 before referred to.</p> <p>No alteration.</p>	
26 to 28 inclusive.	27. Plant, materials etc. to be free of import duty.	<p>This Clause to be extended to a mutually agreed upon date or dates to enable the new installations necessitated by this alteration of the contract to be imported free of Customs Duty.</p> <p>No alteration.</p>	
28 to 31 inclusive.		<p>It is reported that the substance of all the foregoing has been agreed to at an interview at Government House, Nairobi, on 28th January 1913, between H.E. the Governor, with whom were the Honbles. Messrs Bourne and Combs and Mr R.C. Baydon on behalf of the Company.</p>	

Present  
Concession  
Case No.

Subject.

Alterations.

Notes.

It is reported by the Consulting Engineers to the Company that a Clause should be inserted to deal with Stand-by supplies, the use of which was not contemplated when the Concession was originally drafted, and the Company asks the Government to agree to the substance of the following Clause:-

Electric Lighting Act, 1909, 9 Edw. 7, Ch. 34.

15. Supply of electricity to premises having separate supply.

Notwithstanding anything in the Electric Lighting Acts or any Act of Parliament or Provisional Order authorising an undertaking, a person shall not be entitled to demand or to continue to receive from undertakers authorised to supply electricity in any area a supply of electricity for any premises having a separate supply unless he has agreed with the undertakers to pay them such minimum annual sum as will give them a reasonable return on the capital expenditure and will cover other standing charges incurred by them in order to meet the possible maximum demand for those premises: the sum to be so paid shall be determined in default of agreement by arbitration.

## REMARKS.

- (1) It was agreed that the area of "the Nairobi District" should be redefined so as to embrace a more useful area than the 15 miles radius provided in the existing agreement.

It has not as yet been decided as to whether the Nairobi District should be defined so as to include also an area lying within 3 miles of the Company's main from the Thika falls.

I recommend that such additional area should be included.

- (2) It appears that the Company's works at the Thika falls will be established on land which the Company will hold independently of the concession.

Should the Government or any Municipal Council take over the Company's undertaking, they should be empowered to take over the land at the Thika falls on which the Company's works are established on the same terms as the buildings works etc. may be taken over.

To cover this, the term "the undertaking" should be redefined so as to include any land occupied by the Company on the Thika falls and used for the purposes of this concession, and which is not leased to the Company under Clause 4 of the agreement.

Clause 11

to save time  
suggest that  
this redefin-  
tion be  
dropped.

agree.  
H.C.D.

see,  
H.C.D.

2<sup>nd</sup> July 1910

200

~~CONFIDENTIAL~~

No. N. 182/13.

Honourable Chief Secretary,

Reference No. S. 4135 (Confidential)

Your minute of April 24th.

I have the honour to submit the following remarks on the Company's Memorandum.

<p>Clause 2.</p> <p>I agree. H.C.B.</p>	<p>This clause must be altered so as to impose upon the Company the obligations to supply electricity for lighting and power purposes within the Nairobi District until the 8th day of April 1956, and to confer upon the Company the exclusive right to sell electricity <sup>within the District</sup> till April 8th 1956.</p>
<p>Clause 3.</p> <p>I agree but am unable to suggest a date. I think the Co. might make the suggestion say 2 years. H.C.B.</p>	<p>1. The first question to be considered under this clause is as to whether a date should be fixed after which the Company shall cease to use the Ruera and other falls mentioned in the existing agreement. In the Company's memorandum it is proposed that the Thika falls shall be reserved for the Company but that they shall not be under any obligation to transfer their operations from the Ruera falls to the Thika falls until it suits the Company to do so and that until such time the Company shall use the one Ruera fall at present in use and also an auxiliary plant in Nairobi.</p> <p>In my opinion a date should be fixed for the completion of the transfer of the Company's works from the Ruera to the Thika falls, and that such date should be fixed with due regard to the period during which the power derived from the Ruera falls at present in use and the proposed auxiliary plant may be expected to be sufficient to supply electricity to meet all demands within the Nairobi District.</p>

Section  
H.C.B.

2. I do not consider that the Government should guarantee that the falls mentioned in the existing concession will not be used for the purpose of the generation of power.

With regard to the Company's works on the Fuera falls, it appears to me that (1) if the works will be useful for any purpose other than generating power such works should be taken over by the Government without any payment but with a guarantee by the Government that the works will not be used for power purposes. (2) if the works can be used solely for power purposes the Company should be at liberty to demolish the works making good all damage done, unless the Government shall elect to take over the works on payment of the then value of the works.

I think this is  
reasonable.  
H.C.B.

Clause 4.

I suggest that  
the clause stand  
unaltered.

I understand that the Government has alienated the land on either side of the falls on the Tihua to be used by the Company, if this is the case, sub-clause (1) of Clause 4 will not be required, unless the Government is prepared to re-acquire any land on the falls which the Company may require for the purposes of their operations. In the event of the Government or Municipality taking over the Company's operations, it will be necessary that the authority taking over the undertaking shall take over the land on the falls. It is, therefore, worth considering whether the Government should not undertake to acquire on the completion of the new

I think not  
H.C.B.



	<p>contrast with the Company any land on the falls which will be required by the Company and to lease such land to the Company on the terms specified in Clause 4 of the existing Agreement but at a rent which will give a fair interest on the sum paid by the Government on the acquisition of the land. If this course is adopted, it will not be necessary to make the alterations I have suggested above in the definition of the term "the undertaking" as the lease of the land will terminate with the termination of the concession.</p>
<p>Clause 5. I agree. H.C.B.</p>	<p>The Government should undertake to give the Company powers to acquire way-leaves on paying compensation.</p>
<p>Clause 8. Yes; H.C.B.</p>	<p>This clause must be altered to give effect to whatever may be decided with regard to time to be allowed to the Company to complete the transfer of their works from the Beers to the Tika falls.</p>
<p>Clauses 9 &amp; 10. I do not think such precautions are necessary. H.C.B.</p>	<p>Is it intended that the Company shall deposit any sum or that an Engineer shall be appointed for the purposes of these clauses?</p>
<p>Clause 14. Most certainly. H.C.B.</p>	<p>From the papers before me, it would appear that it was agreed that the Company's monopoly of sale should expire in 1916 and not in 1926 as stated in the Company's memorandum.</p>

Clause 17.

The note on this clause in the Company's memo suggests that the Governor should not be empowered to withhold his consent to the supply of electricity outside the Nairobi District, unless the Company fail to satisfy him that the consumers within the District will not be prejudiced. The Government has not and should not agree to this. It is possible that exclusive right to sell electricity within a defined area outside the Nairobi District may be granted to some other persons or Company in which case the Governor should not consent to the supply of electricity within such area by this Company.

I agree  
entirely.  
H.C.B.

The Company should be authorised to supply electricity outside the Nairobi District provided the consent in writing of the Governor authorising such supply is first obtained in each case.

Clause 20.

(1) Under the existing agreement the rights of the Company will expire in April 1931 at which date the Company must remove their plant unless the Government elects to purchase the same.

It was proposed that the concession should be extended from 1931 to 1956 during which period the Company cannot be bought out except on the terms that the Government pay full compensation for compulsory purchase, good will, and loss of profits, but that on the expiration of the extended term (April 1956) the Company should remove their plant.

unless the Government exercises the option to take over the same on paying the then value of the plant in situ and without any compensation for compulsory purchase, good will, and loss of profits.

It is now suggested by the Company that in the event of the Government not taking over the Company's plant etc. on the expiration of the concession in 1956, the term of the concession should be further extended by periods of ten years with the right to the Government to take over the Company's plant etc. on payment on the expiration of any period of ten years.

The local Committee's report dated July 5th 1912 paragraph 7 states that Mr. Baylton is prepared to take this step (the removal to the Thika at an estimated cost of £.125,000) if he may be allowed an extension of the concession for a further period of 25 years. In view of this statement the further extension suggested by the Company should not, in my opinion, be allowed unless very good and sufficient reason can be advanced.

- (2) With regard to the Company's note B on this clause, the Company has omitted the further condition that the Governor should be empowered at any time after the year 1931 on giving 12 months' notice to the Company to require that the maximum charges for electricity supplied for any purpose should

I agree.  
H.C.B.

This must be  
provided for.  
H.C.B.

be further reduced to such sum as may be agreed or in the event of disagreement, as may be determined by arbitration.

Clause 22.

- (1) See my remarks on Clause 22.
- (2) A further question arises under Clause 20 and this clause, namely, as to whether in the event of the Government deciding at any time to take over the Company's plant etc. within the Nairobi District, the Government should be under any obligation to take over any of the Company's plant etc. outside that District used for the purpose of any supply of electricity outside the District.

I would suggest that in the event of the Government deciding to take over the Company's undertaking :

- (1) the Government shall be under an obligation to take over all plant, etc. within the Nairobi District and used for the supply of electricity within the District;
- (2) the Government shall have the option of taking over all or any part of the plant etc. outside the District;
- (3) the Company on the termination of the concession on the taking over of the Company's undertaking, shall remove any plant not taken over by the Government; and

I agree.  
H.C.B.

- (4) in estimating the compensation to be paid for compulsory purchase, good will, and loss of profits, any service outside the District which is not taken over by the Government shall not be taken into consideration.

Clause 27.

The Chief of Customs would complain with reason that it is impossible for him to distinguish between the plant and materials which would be entitled to this exemption and the plant and materials which are not so entitled.

I consider that no special exemption should be allowed in respect of the Company's plant and materials, but that when the Company has raised the capital which will be required for the transfer of their operations to the Thika and the Governor is satisfied that they intend to immediately commence and carry through with despatch the necessary works, the provisions of the Tariff Ordinance be amended so as to include in the list of articles exempt from import duty electric cable and wire and the posts to carry the same.

I agree and think the amendment of the Tariff Ordce. might be made irrespective of this Concession.  
H.C.B.

I agree.  
H.C.B.

The request made by the Company that provision should be made to deal with stand-by supplies appears to me to be quite reasonable.

NAIROBI,  
3rd July, 1913.

*J. P. A. [Signature]*  
ATTORNEY GENERAL

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20th Oct

Your despatch of 21 August unedgest

Conf 101 please reply to <sup>comports</sup> telegraph on following points <sup>remesade</sup> references are to Companies <sup>de</sup> amphigoric <sup>memorandum</sup>

DRAFT

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Johnson  
Kairati

MINUTE.

- Mr. Astorley 17/10/15
- Mr. J. J. Johnson 17/10/15
- Mr. Paul 18
- Sir O. Fiddes.
- Sir H. Just.
- Sir J. Anderson.
- Lord Emmott.
- Mr. Harcourt.

3<sup>rd</sup> Clause 3 <sup>revises</sup> last sentence of A. <sup>saddled</sup>

Are you prepared to give <sup>placido</sup> <sup>another sentence</sup> <sup>undertaking</sup> as to compulsory <sup>purchase</sup> of Thika land if <sup>necessary</sup>

Clause 14 <sup>date of expiration</sup>

A monopoly (have you considered) that if 1916 <sup>confabular</sup> <sup>subside</sup> <sup>retained</sup> monopoly will

expire before transfer <sup>completed</sup> may let Company

have undertaken that a <sup>market</sup> <sup>was that they should have</sup>

10 years monopoly after <sup>10 years</sup> <sup>trusting</sup> moving to Thika.

Clause 27 <sup>Customs</sup> <sup>provision</sup> that you have considered

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Girardin leptocarpus

leptocarpus

23 June 1912 and 1st

leptocarpus leptocarpus

You are not in favor of

returning to leptocarpus

leptocarpus

Shade leptocarpus & leptocarpus

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