

CAP. 171.

CYPRUS

ELECTRICITY DEVELOPMENT

CHAPTER 171 OF THE LAWS

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1959

CHAPTER 171.

ELECTRICITY DEVELOPMENT.

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A LAW TO PROVIDE FOR THE ESTABLISHMENT OF A CORPORATE BODY TO BE CALLED THE ELECTRICITY AUTHORITY OF CYPRUS AND FOR THE EXERCISE AND PERFORMANCE BY SUCH BODY OF FUNCTIONS RELATING TO THE GENERATION AND SUPPLY OF ELECTRICITY AND CERTAIN OTHER MATTERS; TO AUTHORIZE THE ACQUISITION BY THE SAID BODY OF ELECTRICITY UNDERTAKINGS AND TO REGULATE THE PAYMENT OF COMPENSATION THEREFOR; TO PROVIDE FOR THE REGULATION OF THE SUPPLY OF ELECTRICITY; AND FOR PURPOSES CONNECTED WITH THE MATTERS AFORESAID.

[27th October, 1952.]

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9 of 57.

PART I.

PRELIMINARY.

1. This Law may be cited as the Electricity Development Law. Short title.

Interpreta-
tion.

2. (1) In this Law, unless the context or subject matter otherwise indicates or requires—

“apparatus” means electrical apparatus and includes all apparatus, machines, consuming devices and fittings in which conductors are used or of which they form a part;

“Authority” means the Electricity Authority of Cyprus established under section 3;

“Authority installation” or “Authority undertaking” means an installation or undertaking the property of, or operated by, the Authority;

“authorized person” means a person appointed by the Authority, or by an authorized undertaker, or by the management or the owner of an installation, or by a contractor, for the time being, to the Authority, management or owner, to carry out certain duties incidental to the generation, transformation, distribution and use of electricity, provided that such person possesses the qualifications, if any, prescribed for persons performing such duties, or, if no qualifications are prescribed, is competent for the purpose for which he is employed, the burden of proof of competency being on the employer;

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“authorized undertakers” and “undertaker” mean any local authority, company or person who has been by the Electricity Law authorized to supply electricity within any area;

“bulk supply” means a supply of electricity to be used for the purposes of distribution;

“Chairman” means the person designated to be the Chairman of the Authority under section 5;

“Chief Inspector” means the Chief Electrical Inspector appointed under section 10;

“conductor” means an electrical conductor arranged to be electrically connected to a system;

“conversion” means the conversion of alternating current to direct current or vice versa by static or dynamic means;

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“Electricity Law” means the Electricity Law and includes any Law amending or substituted for the same;

“generating station” means any station for generating electricity, including any buildings and plant used for the purpose, and the site thereof, and includes a site intended to be used for a generating

station, but does not include any station for transforming, converting, or distributing energy;

“generator” means a rotating machine of any type for changing mechanical energy into electrical energy;

“immovable property” includes—

- (a) land;
- (b) buildings and other erections, structures or fixtures affixed to any land or to any building or other erection or structure;
- (c) trees, vines, and any other thing whatsoever planted or growing upon any land and any produce thereof before severance;
- (d) springs, wells, water and water rights whether held together with, or independently of, any land;
- (e) privileges, liberties, easements and any other rights and advantages whatsoever appertaining or reputed to appertain to any land or to any building or other erection or structure;
- (f) an undivided share in any property hereinbefore set out;

“Inspector” means an Electrical Inspector appointed under section 10 and includes the Chief Inspector;

“installation” means the whole of any plant or apparatus under one ownership or, where a management is prescribed, in the charge of the management, designed for the supply or use, or both, as the case may be, of electricity, including prime movers, if any, with all necessary plant, buildings and land in connection therewith, pipe lines, supply lines and consuming apparatus, if any;

“local authority” means the council of a municipality, a Village Health Commission and the Board of an improvement area operating under any local authority enactment, as the case may be, in force for the time being;

“local authority enactment” means the Municipal Corporations Law, the Public Health (Villages) Law, and the Villages (Administration and Improvement) Law or any Law amending or substituted for any of such Laws;

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Cap. 259.
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“management” means the authorized person for the time being placed in charge of an undertaking or installation by the Authority, by an authorized undertaker, by the owner or by a contractor;

“member of the Authority” includes the Chairman, the Deputy Chairman, a temporary Chairman, a temporary Deputy Chairman and temporary member of the Authority;

Cap. 240.

“municipality” means a municipal corporation established under the Municipal Corporations Law, or any other Law amending or substituted for the same;

“property” includes movable and immovable property;

“supply line” means a conductor or conductors or other means of conveying, transmitting or distributing electricity, together with any casing, coating, covering, tube, pipe, insulator or post enclosing, surrounding or supporting the same or any part thereof, or any building or apparatus connected therewith for the purpose of transforming, conveying, transmitting or distributing electricity;

“system” means an electrical system in which all the conductors and apparatus are electrically or magnetically connected;

“transformation” means the transformation of voltage from a lower to a higher voltage or vice versa.

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(2) All other expressions in this Law have the same meaning as in the Electricity Law.

PART II.

ELECTRICITY AUTHORITY.

Constitution of the Electricity Authority.

Establishment and incorporation of the electricity authority.

3. There is hereby established a body to be called the Electricity Authority of Cyprus which shall be a body corporate with perpetual succession and a common seal and with power to acquire, hold and dispose of property, to enter into contracts, to sue and be sued in its said name and to do all things necessary for the purposes of this Law:

Provided that, during the subsistence of a guarantee given under section 20, the Authority shall not alienate,

mortgage, charge or demise any of its immovable property without the approval of the Governor in Council.

4. (1) The common seal of the Authority may from time to time be broken, changed, altered and made anew as to the Authority seems fit, and until a seal is provided, a stamp bearing the inscription "Electricity Authority of Cyprus" may be used as the common seal. Common seal.

(2) All deeds, documents and other instruments requiring the seal of the Authority shall be sealed with the seal of the Authority in the presence of the Chairman or Deputy Chairman of the Authority, and of the Secretary of the Authority or some other person authorized by the Authority to act in that behalf, who shall both sign every such deed, document or other instrument to which such seal is affixed, and such signing shall be sufficient evidence that such seal was duly and properly affixed and that the same is the lawful seal of the Authority.

5. (1) The Authority shall consist of not more than four persons appointed by the Governor (hereinafter referred to as "the appointed members"), one to whom shall be designated by the Governor as Chairman, and of the person for the time being holding the office of the Chief Engineer and Manager, as *ex officio* member who shall be the Deputy Chairman: Constitution of the Authority.

Provided that the appointed persons need not be persons whose full time services shall be required.

(2) The appointed members shall hold office for a period of not more than five years subject to such conditions as the Governor may determine:

Provided that the Governor may, at any time, remove any such member from office without assigning any reason therefor.

(3) In case of incapacity from illness or any other temporary cause or temporary absence from the Colony of any appointed member, the Governor may appoint some other person to act as a temporary appointed member, during the time such incapacity or absence continues.

(4) The Authority may act notwithstanding any vacancy in its membership.

(5) The Chairman or the Deputy Chairman may, by instrument in writing, authorize any person to exercise any

power or perform any function, other than the functions referred to in subsection (2) of section 4, conferred on the Chairman or the Deputy Chairman by or under this Law.

Remuneration and allowances payable to members of the Authority.

6. There shall be paid to the appointed members of the Authority, out of the funds of the Authority, such remuneration (whether by way of salaries or fees) and such allowances for expenses as the Governor in Council may determine.

Disqualification, disposal and discovery of interests of members of the Authority.

7. (1) A person shall be disqualified for being appointed as member of the Authority so long as he is a member of the Executive Council.

(2) Every appointed member shall, within three months after his appointment, sell or dispose of all shares in any electrical undertaking which, at the time of his appointment, he owns or is directly or indirectly interested in for his own benefit ; and it shall not be lawful for any member of the Authority whilst he holds office to purchase, or become interested in, for his own benefit, any shares in any electrical undertaking, and if any member of the Authority under any will or succession becomes entitled for his own benefit to any shares in any electrical undertaking he shall sell or dispose of them within three months after he has so become entitled thereto.

(3) Any member of the Authority who retains, purchases, takes or becomes or remains interested in any shares in any electrical undertaking in contravention of the provisions of this section shall be disqualified from, and be deemed to have vacated, his office as such member.

(4) A member of the Authority, if he is interested in any company or undertaking, with which the Authority have or propose to make any contract shall disclose to the Authority the fact and nature of his interest and shall not take part in any deliberation or decision of the Authority relating to such contract, and such disclosure shall be forthwith recorded in the minutes of the Authority.

(5) In this section the expression " shares in any electrical undertaking " means any stock, shares, debentures, debenture stock, bonds or other securities of any company engaged in the generation, distribution or supply of electricity or the manufacture of or wholesale or retail dealing in electrical apparatus and includes any share or interest in any unincorporated undertaking similarly engaged but shall not include any stock, shares, debentures, debenture stock

bonds or other securities of any company whose business, as a generator, supplier or distributor of electricity consists in the generation, supply or distribution of electricity for consumption solely by such company.

8. (1) The quorum at all meetings of the Authority shall be two members present in addition to the Chairman or Deputy Chairman. Quorum.

(2) The Chairman, and in his absence, the Deputy Chairman shall preside at such meetings:

Provided that when the votes of the members present with regard to any question shall be equally divided the presiding member shall have a casting vote in addition to his own.

9. Subject to the provisions of this Law, the Authority may make standing orders regulating its own procedure generally, and, in particular, regarding the holding of meetings, the notice to be given of such meetings, the proceedings thereat, the keeping of minutes, and the opening, keeping, closing and audit of accounts. Procedure of the Authority.

Officers and Servants of the Authority.

10. (1) The Authority shall appoint a Chief Engineer who shall be the General Manager, a Secretary, and such other officers, agents and servants as the Authority may, from time to time, determine, and, in particular, may appoint and employ such Electrical Inspectors as may be necessary for the purpose of inspecting undertakings and electrical plant, apparatus and works and of performing such other duties as may be required by the Authority, and may in like manner appoint an officer as Chief Electrical Inspector to supervise the methods and details of such inspection as aforesaid, and to perform such other duties as may be required by the Authority. Officers and servants of the Authority.

(2) The Chief Inspector shall have and may exercise all the powers vested in an Inspector by this Law and, with the approval of the Governor, may exercise all or any of the powers vested in an Inspector by the Electricity Law, and any regulations made thereunder. Cap. 170.

11. (1) All members, officers and servants of the Authority shall be deemed to be employed in the public service within the meaning of the Criminal Code. Members, officers and servants of the Authority deemed public officers. Cap. 154.

Cap. 313.

(2) The Public Officers Protection Law shall apply to any action, prosecution or other proceedings against the Authority, or against any member, officer or servant thereof in respect of any act, neglect or default done or committed by him in such capacity.

General Functions of the Authority.

General functions.

12. (1) Subject to the provisions of this Law, it shall be the duty of the Authority to—

- (a) generate electricity and to maintain and work any Authority installation or Authority undertaking;
- (b) secure the supply of electricity at reasonable prices;
- (c) carry on any business usually associated with an electricity undertaking;
- (d) promote and encourage the use of electricity and especially the use thereof for agricultural, industrial and manufacturing purposes;
- (e) promote and encourage the development of the natural resources of the Colony in connection with the generation of electricity;
- (f) make regulations in accordance with the provisions of this Law;
- (g) advise the Governor on all matters relating to the generation, transmission, distribution and use of electricity.

(2) For the purposes of subsection (1), the Authority may—

- (a) exercise from a date to be appointed by the Governor such of the powers and perform such of the duties of the Director of Public Works conferred and imposed upon him under the Electricity Law as the Governor may direct:

Cap. 170.

Provided that the expenses and cost of the exercise of such powers and the performance of such duties shall be paid out of the public revenue;

- (b) purchase electricity for any of the purposes of subsection (1);
- (c) carry on all such activities as may appear to it requisite, advantageous or convenient for or in connection with the discharge of its duties under subsection (1).

(3) Save where other provision is made in this Law, the Authority shall, for the purposes of subsection (1), be subject to the same obligations and perform the same duties imposed by the Electricity Law, and shall enjoy all the rights and exercise all the powers conferred by the same, on an authorized undertaker. Cap. 170.

13. (1) As soon as the Scheme which is outlined in the First Schedule (hereinafter referred to as "the Scheme") is approved by the Governor in Council, the Authority shall become the undertaker for the generation, supply and distribution of electricity throughout the Colony excluding any area of supply within which another authorized undertaker is operating under the Electricity Law: Colony-wide electrification scheme.
First Schedule.
Cap. 170.

Provided that the Authority may, if the Governor so directs, provide, even within such area, bulk supply to any Department of Her Majesty's Government.

(2) When in pursuance of subsection (1) the Authority becomes the undertaker, the Authority shall proceed with the construction of a power station and a transmission and distribution system as provided for in the Scheme.

14. All contracts, agreements, deeds, bonds, instruments and working arrangements, subsisting immediately before the commencement of this Law, entered into by or on behalf of the Government and affecting the Scheme, shall be of as full force and effect against or in favour of the Authority, and enforceable as fully and effectually as if, instead of the Government or any person acting on behalf of the Government, the Authority had been named therein or had been a party thereto. Transfer of existing contracts, etc., of Government to the Authority.

15. The Authority shall supply, in any area supplied with electricity by the Authority, electricity to any person, other than an authorized undertaker, requiring a supply of electricity for power (in this section referred to as "a power user") if such power user undertakes to enter into a contract with the Authority, giving such security as the Authority may require, to take or continue to receive and to pay for a supply of electricity upon terms and conditions affording an adequate return to the Authority. Duty of the Authority to supply electricity to power users.

16. The Authority may require any person supplying electricity for public or private purposes to give to the Authority such information relating to such supply, and Power to the Authority to require information.

the accounts in respect thereof, as the Authority considers necessary, and any such person or any of his servants or agents, who, on being requested to do so, fails, without reasonable excuse, to give to the Authority such information as aforesaid, within thirty days from the date of the request, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding fifty pounds, and, in the case of continued failure or refusal, to a fine not exceeding ten pounds for every day or part of a day on which such failure or refusal is continued after the first day on which a conviction is had.

Power to the
Authority
to sell, etc.,
electrical
fittings.

17. (1) Subject to the provisions of this section, the Authority may provide, sell or let on hire, electric lines, fittings, apparatus and appliances for lighting, heating and motive power, and for all other purposes for which electricity can or may be used (in this section called "electrical fittings") and may instal, connect, repair, maintain and remove the same and with respect thereto may demand and take such remuneration or rents and charges and may make such terms and conditions as may be agreed upon.

(2) The exercise of the powers of subsection (1) shall be subject to the following restrictions:—

(a) the Authority shall not sell electrical fittings except—

(i) to a consumer or a person who intends to be a consumer of electricity supplied by it; or

(ii) to a person who, being engaged in the business of selling and installing electrical fittings, requires such fittings to enable him to supply them to a person who is or intends to be a consumer of electricity supplied directly or indirectly by the Authority;

(b) the Authority shall so adjust the charges to be made by it under the said subsection as to meet any expenditure incurred by it in the exercise of the powers thereof (including interest upon and sinking fund charges in respect of money borrowed for the purposes of the said subsection);

(c) the prices charged by the Authority for the sale of any electrical fitting shall not be less than the recognized retail prices unless the sale is to a person engaged in the business of selling and

installing electrical fittings, in which case the prices shall not be less than the recognized trade prices.

(3) The Authority may maintain shops and showrooms for the display, sale and hire of electrical fittings and conduct displays, exhibitions and demonstrations of electrical fittings, and generally do all things (including advertising) incidental to the provision sale and letting on hire of electrical fittings and the promotion and encouragement of the use of electricity.

PART III.

GENERAL FINANCIAL PROVISIONS.

18. For the purpose of enabling the Authority to carry out its functions under this Law, the Authority may, with the consent of the Governor, borrow money in such manner and subject to such conditions as the Governor may deem fit to impose.

Power to the Authority to borrow.

19. (1) The Authority may, for the purpose of raising money which it is authorized to borrow under this Law and, subject to section 39, for the payment of any compensation payable under this Law, issue stock debentures or other securities (hereinafter in this Law referred to as "securities").

Power to the Authority to issue securities.

(2) All such securities and interest thereon shall be charged on the undertaking and on all the revenues of the Authority.

(3) Subject to the provisions of this Law, any securities created by the Authority under the powers of this Law shall be issued, transferred, dealt with and redeemed according to Regulations made by the Governor in Council.

20. The Government may guarantee in such manner and upon such terms as it may think fit the payment of the interest and principal or either of them, of any loan proposed to be raised by the Authority.

Power to Government to guarantee loans to the Authority.

21. All sums received by the Authority shall be paid into a separate fund, and out of that fund the remuneration (whether by way of salaries or fees) and allowances of the members of the Authority (including superannuation

Expenses of the Authority.

allowances and gratuities, if any, in the case of whole-time members) and the salaries, remuneration, superannuation allowance and gratuities of the officers and servants of the Authority, and all expenses incurred by the Authority, shall be paid including repayment by the Authority to the Government of the principal of an interest on any advances made by Government to the Authority.

Investment
of moneys.

22. All moneys of the Authority not immediately required to be expended in the meeting of any obligations or the discharge of any functions of the Authority may be invested in such securities as may be approved by the Governor.

Rates and
scales of
charges for
electricity.

23. (1) All charges made by the Authority for electricity sold by them in bulk or direct to consumers, and for services rendered by the Authority, shall be fixed at such rates and on such scales that the revenue derived in any year by the Authority 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 might be, to pay all remunerations, allowances, salaries, gratuities, working expenses and other outgoings of the Authority properly chargeable to income in that year including the payments falling to be made in such year by the Authority in respect of the interest on, or repayment of, the principal of any money borrowed by the Authority and provision for the redemption of securities issued by the Authority under this Part, and such sums as the Authority may think proper to set aside in that year for reserve fund, extensions, renewals, depreciation loans, and other like purposes.

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

Provided that nothing in this section shall prevent the Authority from charging other prices by special agreement.

(2) It shall be lawful for the Authority to meet payments of interest falling due in any year from money borrowed, whilst the expenditure out of such moneys remains unremunerative, for such period and subject to such conditions as the Governor in Council may determine.

Accounts
and audit.

24. (1) The Authority shall cause proper accounts and books in relation thereto to be kept, and shall prepare an annual statement of accounts.

(2) Separate accounts shall be kept in relation to moneys received and expended by the Authority in connection with the manufacture, provision, sale and letting on hire of electrical equipment.

(3) The accounts of the Authority and their officers shall be audited by an auditor or auditors appointed annually by the Authority.

As soon as the accounts of the Authority have been audited, the Authority shall send a copy thereof to the Governor together with a copy of any report of the auditor thereon, and shall publish the accounts in such manner as the Governor may direct, and shall place copies thereof on sale at a price not exceeding one shilling a copy.

(4) The auditor's fees and any expenses of the audit shall be paid by the Authority.

25. The Authority shall be exempt from—

- (a) payment of any dues or duties under any Customs Law for the time being in force on machinery, including parts and accessories, apparatus, appliances, vehicles, instruments, tools and stores and materials of whatsoever kind imported for the use of the Authority and not intended for sale to the general public;
- (b) payment of stamp duty under any Law for the time being in force relating to stamp duties;
- (c) payment of any Government tax, or rate of any local authority, in respect of any supply line.

Exemption
from taxa-
tion and
stamp
duties.

2 of 9/54.

26. The Authority shall, as soon as practicable after the end of each financial year, cause to be made and transmit to the Governor a report dealing generally with the activities of the Authority during the preceding financial year, and containing such information relating to the proceedings and policy of the Authority as can be made public without detriment to the interests of the Authority.

Annual
report.

PART IV.

ACQUISITION OF PROPERTY AND OF UNDERTAKINGS AND MATTERS INCIDENTAL THERETO.

Acquisition of Immovable Property.

27. (1) The Authority may acquire immovable property for the purpose of any of its functions under this Law and, if any such immovable property cannot be acquired by

Power to
acquire
immovable
property.

Second
Schedule.

agreement, the Authority shall cause a notice in the form set out in the Second Schedule to be published in the Gazette and also to be posted at a conspicuous place in the town or village in which the immovable property to be acquired is situated.

(2) At the expiration of the period set out in the notice, the Authority shall forward to the Governor a plan of the immovable property to be acquired together with particulars as regards its owners, estimated value, description and other matter as may be necessary for the purpose together with any objection or statement made against the proposed acquisition.

(3) If the Governor approves the plan submitted and considers it expedient, having regard to all the circumstances, that the Authority should be permitted to acquire the immovable property in question, he may, by notification published in the Gazette, sanction the acquisition of such immovable property; and, thereupon, the immovable property shall vest absolutely in the Authority free from all encumbrances and the Director of Lands and Surveys shall cause amendments of registration to be effected in accordance with the plan and particulars so approved by the Governor; and, if the owner of the immovable property does not agree with the Authority as to the sum which, subject to approval of the Governor, shall be paid as compensation for it, the sum shall be determined in accordance with the provisions of any Law in force for the time being, providing for the acquisition of land for public purposes.

Acquisition of Undertakings.

Authority
to acquire
under-
takings.

28. (1) The Authority shall, on such date or dates as shall be appointed by the Governor, acquire the undertakings of all authorized undertakers by serving personally or by registered post on each such undertaker a notice therefor in writing setting out the appointed date for the acquisition of the undertaking (in this Law referred to as "the date of acquisition"):

Provided that the Governor in Council may exempt from the operation of this subsection any authorized undertaker whose business as a supplier of electricity consists wholly of the supply of electricity for consumption by such undertaker and not for sale.

(2) The Authority shall, on the date of acquisition, become the undertaker as provided for by this Law for the area of supply of the former undertaker, and for that purpose shall, on or before the date of acquisition, make an order (in this Law referred to as "a vesting order") having as from that date such operation as is provided in subsection (3).

(3) The vesting order shall operate as follows:—

- (a) so as to transfer to and vest in the Authority without any conveyance, assignment or transfer whatsoever, free from all charges, encumbrances, rights or obligations of any nature, 2 of 15/53. all the property and assets owned and used by the former undertaker or, having been paid for by such undertaker, used or employed by him at the date of the vesting order for the purposes of the undertaking, anything contained in section 22 of the Immovable Property (Tenure, Registration or Valuation) Law or Cap. 224. any contract or agreement notwithstanding; and
- (b) so as to transfer to and vest in the Authority all book debts and other moneys owing to the former undertaker on account of the undertaking at the date of the vesting order and the right to sue for, recover and give receipts for such debts and moneys; and
- (c) so as to transfer to the Authority the rights and liabilities of the former undertaker under any contract in respect of a work in connection with the undertaking which is in course of construction, extension or repair at the date of the vesting order; and
- (d) so as to impose on the Authority the liability for, and obligation to indemnify the former undertaker against, such of the debts and liabilities of the former undertaker at the date of the vesting order as may be transferred to the Authority by or in pursuance of section 29:

Provided that no contract entered into by the undertaker on or after the 5th day of December, 1951, and no debt or liability incurred on or after that date by such undertaker shall be binding on the Authority, unless entered into or incurred with the prior approval of the Governor.

- (4) For the purposes of sections 28 to 30, both inclusive—
 “the undertaking” means all or any portion of the works necessary for generating electric power either by fuel or by head of water or by any other means whatsoever, and for the transmission, transformation, distribution and sale of energy.

Compensation in respect of undertakings acquired from a local authority.

29. Where the former authorized undertaker of an undertaking acquired by the Authority under section 28 is a local authority the acquisition shall be on the following terms:—

- (a) no purchase price shall be payable to the local authority;
- (b) the debts and liabilities of the local authority as former undertaker shall be transferred to the Authority by virtue of the vesting order;
- (c) if the local authority so requires, the Authority shall pay to such authority any sums which before the date of acquisition have been raised for the purpose of the undertaking by means of any local rate and have not been made good to the general funds of the local authority out of the revenues of the undertaking;
- (d) nothing in the foregoing provisions shall affect the security for any loan borrowed by a local authority as former undertaker.

Compensation in respect of undertaking acquired from any person other than a local authority

30. (1) Where the authorized undertaker of an undertaking acquired by the Authority under section 28 is not a local authority, the compensation payable by the Authority to such owners in respect of the acquisition of such undertaking shall, in default of agreement, which shall be subject to the approval of the Governor, be determined by arbitration upon the basis set out in subsection (2).

(2) In determining the compensation to be paid under subsection (1) the arbitrators or the Court, as the case may be, shall have regard to the following:—

- (a) the fair market value at the date of acquisition by the Authority of any immovable property, machinery, plant, apparatus, materials and works belonging to the authorized undertaker suitable to and used by him for the purpose of the undertaking due regard being had to the nature and condition of such immovable property, machinery, plant, apparatus, materials

and works, 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 for the purposes of the undertaking;

- (b) the value, as assessed by the arbitrators or the Court, of any book debts and other moneys and of any rights and liabilities transferred to the Authority by operation of paragraphs (b) and (c) of subsection (3) of section 28;
- (c) the excess over the amounts assessed under paragraphs (a) and (b) of this subsection of the sum that, in the opinion of the arbitrators or the Court, represents the reasonable capital value of the net maintainable income that would, in the opinion of the arbitrators or the Court, accrue to the acquired undertaking were it not acquired, after deduction from such net maintainable income of the estimated net income from any assets not acquired and interest derived from the investment of depreciation, renewal, reserve and other surplus revenue funds.

(3) For the purposes of subsection (2) the net maintainable income of the acquired undertaking shall mean the annual income that, in the opinion of the arbitrators or the Court, would be available for distribution among the owners of the undertaking after payment of all charges thereon (including any tax, other than income tax, to which the undertaking may have been liable) and in computing the net maintainable income of the acquired undertaking the arbitrators or the Court shall take into account—

- (a) the past profits of the undertaking to the extent that they are shown in the audited accounts of such undertaking in respect of the last five complete financial years preceding acquisition or such shorter period as may have elapsed since the undertaking commenced trading and to the extent that they are, in the opinion of the arbitrators or the Court, not excessive having regard to the following:—

- (i) the suitability of the amount of the charges for maintenance in relation to the physical condition of the assets;

(ii) the sufficiency of the provision made for depreciation of assets;

(iii) the adequacy of the provision made whether by way of sinking fund or otherwise in order to preserve the capital invested in the undertaking where the ability of the undertaking to carry on business is restricted by the terms of any agreement or concession, whether by way of a condition that all or any of the assets shall be surrendered, by a restriction upon the duration of the agreement or concession, or by any other means;

(iv) the appropriateness of the sums charged in respect of fees or other emoluments or remuneration of directors or partners;

(v) the adequacy of any other charges;

(vi) the reasonableness of the rates of charge made by the undertaker for the supply of electricity to consumers provided that a maximum charge laid down by statutory authority shall not be regarded as any criterion;

(b) the fact that if the undertaking had not been acquired, it would have been subject to statutory provisions relating to the fixing of maximum prices and the limitation of profits;

(c) the terms of any agreement or concession affecting the acquired undertaking.

(4) For the purposes of subsection (2) the reasonable capital value of the net maintainable income shall be the capital sum which would, in the opinion of the arbitrators or the Court, yield an annual sum equivalent to the net maintainable income if invested in a business concern or otherwise in Cyprus at such rate of interest (not being less than six per cent. nor more than fourteen per cent. per annum) as, in the opinion of the arbitrators or the Court, is reasonable.

General.

31. Where under the Electricity Law or any Order made thereunder or where under any contract or agreement any right to acquire or purchase the whole or any part of the undertaking of an authorized undertaker is vested in any local authority, the right shall, by virtue of this Law, be transferred to, and vest in, the Authority as if, instead of

the local authority or any person acting on behalf of such authority, the Authority had been named therein or had been a party thereto.

32. (1) Where a vesting order is made by the Authority as respects any undertaking, every person who, immediately before the date of acquisition, was in the regular employment of the former undertakers in relation to the undertaking and was in such employment before the 5th day of December, 1951, shall on the date of acquisition (unless such person otherwise elects) become an officer or servant of the Authority upon the same terms as on the 5th day of December, 1951, applied to the employment of such person by the former undertakers, with such increase of salary and other benefits as may before the date of acquisition have accrued to him from those terms by effluxion of time, and such further increases of salary and other benefits as may have been conferred upon him by the former undertakers after the 5th day of December, 1951, and been approved by the Director of Public Works.

Provisions as to transfer of officers and servants to the Authority.

(2) Where a vesting order is made as aforesaid, a person who, immediately before the date of acquisition was in the regular employment of the former undertakers in relation to the undertaking and was first so employed on or after the 5th day of December, 1951, shall, on the date of acquisition (unless such person otherwise elects) become an officer or servant of the Authority upon the same terms and conditions as immediately before the date of acquisition applied to the employment of such person by the former undertakers:

Provided that this subsection shall not apply to any person unless his employment by the former undertakers in relation to the undertaking, and the terms and conditions upon which he was so employed immediately before the date of acquisition have been approved by the Director of Public Works.

(3) If any question arises under this section as to whether any person—

- (a) was at any date in the regular employment of the former undertakers; or
- (b) was employed in relation to the undertaking of the former undertakers,

that question shall be determined by the Commissioner of Labour, whose decision thereon shall be final.

(4) In this section, the expression " conditions " includes conditions as to the grant of any pension or superannuation allowance.

(5) This section applies to any person whose whole time was devoted to the duties of his office or service under the former undertakers in relation to the undertaking.

Compensation for alteration of terms of employment.

33. (1) If, after the 5th day of December, 1951, and within three years from the date of acquisition of the undertaking of any authorized undertaker by the Authority, any officer or servant of the authorized undertaker who has, before the 5th day of December, 1951, been regularly employed in or about the undertaking proves to the satisfaction of a referee or a board of referees appointed by the Governor (hereinafter in this section referred to as " the referee "), that, in consequence of the event aforesaid, such officer or servant—

(a) has suffered loss of employment, or diminution of salary, wages or emoluments, otherwise than on the grounds of misconduct, incapacity, or superannuation; or

(b) has relinquished his employment in consequence of being required to perform duties such as were not analogous, or were an unreasonable addition to those which before the 5th day of December, 1951, such officer or servant had been required to perform; or

(c) has been placed in any worse position, as compared with his position on the 5th day of December, 1951, in respect to the conditions of his service,

and the Authority does not show to the satisfaction of the referee that equivalent employment on the like conditions as those obtaining with respect to such aforesaid officer or servant on the 5th day of December, 1951, was available, then there shall be paid to him by the Authority such compensation as may be determined by the referee, provided that such compensation shall not exceed one-twelfth of the annual sum of the emoluments received, subject to subsection (1) of section 32, by the person immediately before the date of acquisition for each completed year of his service in the undertaking.

(2) Any decision of the referee under subsection (1) shall be subject to appeal to the Governor in Council whose decision thereon shall be final and conclusive.

34. (1) The Governor in Council at the request of the Authority may declare any lake, river or waterway not privately owned to be a prescribed source of water for the purposes of this Law and in any such declaration he may impose such conditions and restrictions as to him may seem fit.

Power to
prescribe
sources of
water.

(2) Notwithstanding the provisions of any Law, no person shall dam up or otherwise interfere with any such prescribed source of water without first serving on the Authority a three months' notice in writing specifying the works he proposes to undertake. If, in the opinion of the Authority, any dam or works will materially affect the functions of the Authority under this Law, the Authority may—

- (a) require such person to desist from undertaking such dam or work; or
- (b) consent to such undertaking either conditionally or otherwise:

Provided that any person dissatisfied with the action taken by the Authority may appeal to the Governor in Council, whose decision thereon shall be final.

(3) Any person who—

- (a) dams up or otherwise interferes with any source of water prescribed under subsection (1) without serving the notice required by subsection (2); or
- (b) undertakes any work prohibited under this section; or
- (c) fails to comply with any condition imposed under this section,

shall be guilty of an offence and shall be liable, on conviction, to a fine not exceeding one hundred pounds and, if the offence be continued, to a fine not exceeding five pounds for every day or part of a day during which the offence is continued after the first day on which a conviction is had.

35. The Chairman or any person authorized by him in that behalf may, at all reasonable times, enter upon any land and, subject to twenty-four hours' prior notice in writing to its occupier, enter upon any premises, and there to do such acts or things as may be reasonably necessary for the purpose of survey, examination or investigation, preliminary or incidental to the exercise of any of the functions of the Authority under this Law, or connected with the Scheme:

Entry of
land for
surveys and
other pre-
liminary
purposes.

Provided that the Authority shall pay compensation for any injury caused by such entry or by doing the aforesaid acts or things in accordance with the provisions of section 37.

Power to enter on land for purposes of authority undertaking.

36. For the purpose of constructing a supply line, or maintaining or repairing any authority undertaking, the Chairman or any person authorized by him in that behalf may, at all reasonable times, enter upon any land and may carry out all necessary works and repairs, and may, in the course thereof, fell or lop trees, remove vegetation and do all other things necessary to such purpose:

Provided that the Authority shall pay compensation for any injury caused by such entry or by doing the aforesaid acts or things in accordance with the provisions of section 37.

Compensation payable under sections 35 and 36.

37. The amount of compensation, if any, payable under the provisions of sections 35 and 36 shall be assessed by a person appointed by the Governor:

Provided that no further compensation shall be allowed for the felling or lopping of trees or removal of vegetation where such action is necessary for the maintenance of the supply line and such trees or vegetation have grown or been allowed to grow since the payment of compensation under section 38 in such a manner as to obstruct or interfere with the electric supply lines or posts or apparatus:

Provided further that no compensation shall be payable by the Authority in respect of any tree within ten feet of the centre line of any road constructed or maintained by the Public Works Department or by any local authority, unless it is proved that such tree was in existence prior to the construction of the road.

Payment of compensation, etc., by the Authority.
4 of 9/54.

38. (1) Compensation or other moneys payable under the provisions of this Part in respect of any property or undertaking acquired by the Authority under the provisions of this Part shall be discharged as soon as the amount has been agreed or otherwise finally determined under the provisions of this Law together with interest thereon at the rate of four per cent. per annum as from the date of the acquisition to the date of final payment:

Provided that where any sum is paid or offered for payment by the Authority on account of such compensation or other moneys such interest shall be payable on the amount of such compensation or other moneys from the date of the acquisition to the date of such payment or offer and thereafter on any balance to the date of final payment:

Provided further that in the case of any property or undertaking acquired by the Authority under the provisions of this Part on or before the first day of January, 1954, no such interest shall be payable in respect of any compensation or other moneys agreed to and paid in full settlement thereof.

(2) Where any property or undertaking acquired as aforesaid is subject to any mortgage or any other legal charge whatsoever, the compensation or such part thereof as may be sufficient to discharge the mortgage or other charge, shall be paid to the mortgagee or person in whose favour the charge operates, in satisfaction in whole or in part of the sum secured by the mortgage or which is subject to the charge.

39. The Authority may, with the consent of the persons entitled thereto, discharge the whole or any part of any compensation or other moneys payable under this Part in respect of any undertaking, generating station, or transmission line, or any other property, acquired by the Authority under this Part by the issue to or creation in favour of the persons entitled thereto of such amount of securities as are equivalent in value to the whole or part, as the case may be, of the compensation or other moneys in respect of which the securities are issued or created.

Discharge of compensation, etc., by issue of securities.

40. Except as otherwise provided in this Law, in all cases where compensation is payable under this Law, the amount of such compensation shall, in default of agreement, be determined by arbitration under the provisions of the Arbitration Law or any Law amending or substituted for the same, as modified by the provisions of the Third Schedule.

Determination of compensation by arbitration. Cap. 4. Third Schedule.

PART V.

MISCELLANEOUS.

41. (1) Notwithstanding anything in this Law or the Electricity Law contained, a person shall not be entitled to demand or continue to receive, for the purposes of stand-by supply only, from the Authority a supply of electricity for any premises having a separate supply of electricity or a supply (in use or ready for use for the purpose for which the stand-by supply of electricity is

Stand-by supplies. Cap. 170.

required) of gas, steam or other form of energy unless he has agreed with the Authority to pay such minimum annual sum as the Authority may require.

(2) In this section, "stand-by supply" means a supply appertaining to an agreed period made for the availability of a supply of electricity whether a supply is actually taken or not.

Reduction
or cessation
of supply;
liability.

42. (1) The Authority may reduce, as it may think fit, the quantity of electricity supplied to any consumer if, by reason of any unforeseen circumstances beyond its control, it appears to the Authority that the supply of electricity generated is insufficient to enable the full quantity to be conveniently supplied.

(2) Where the quantity of electricity has been reduced as aforesaid—

(a) no liability shall be incurred by the Authority in respect of any loss or damage caused by such reduction; and

(b) in appropriate cases, an abatement in the charges for the supply of energy shall be made in proportion to the reduction made.

(3) The Authority shall not be liable for any damage to person or property or for any cessation of the supply of energy which may be due to any accident, fair wear and tear, or overloading due to unauthorized connection of apparatus, or to the reasonable requirements of the system, or to defects in any installation not provided by the Authority, but shall be liable only when such damage or cessation is shown to have resulted from negligence on the part of persons employed by the Authority, its agents or servants, as the case may be, or from faulty construction of the Authority installation or Authority undertaking.

Restriction
on the grant
of Orders
under the
Electricity
Law.
Cap. 170.

43. On and after the date of the coming into operation of this Law and notwithstanding anything contained in the Electricity Law—

(a) no Order shall be granted under the provisions of the said Law to any person, unless notice of the particulars of the application for such Order has been given to the Authority and unless the Authority has either expressed to the Governor its inability to undertake the function in respect of which such application is made or, within

such time after the giving of such notice as the Governor may deem reasonable, failed to satisfy the Governor of its ability to undertake such functions;

- (b) no Order shall be capable of being transferred unless the consent of the Authority to the transfer be evidenced by writing under the hand of the Chairman.

PART VI.

REGULATIONS, ETC.

44. The Authority may, with the approval of the Governor, make regulations, not inconsistent with the provisions of this Law, or any other Law in force for the time being, to be published in the Gazette, for the better carrying of this Law into effect and, without prejudice to the generality of the powers hereby conferred, regulations shall be made in respect of all or any of the following matters:—

Regulations.

- (a) to provide for the establishment and constitution of a scheme for the payment of such superannuation allowances and gratuities to such of the members, officers and servants of the Authority and, upon such terms and conditions as may be specified in the regulations;
- (b) to prescribe the rate of charges to be made in respect of energy supplied and apparatus hired, and the fees payable in respect of the inspection, testing and maintenance of consumer's installations and apparatus, and in respect of the fixing and testing of meters, and in respect of any other services properly rendered on account of consumers;
- (c) to prescribe the forms of applications for the supply of electricity, the manner of effecting the supply of electricity and the incidence of the charges in respect of the cost of connecting the consumer's premises with the mains;
- (d) to prescribe the methods to be adopted for the supply and use of electricity, the security to be furnished by consumers and the condition for the discontinuance of the supply in cases where the consumer fails to observe the requirements

Cap. 170.

of this Law, or of the Electricity Law, or of any regulations made thereunder or is in arrears with his payments of any proper charges or uses defective fittings, and also in cases where such discontinuance may be deemed necessary or advisable;

(e) to regulate the methods of wiring of premises, the types of apparatus that may be used, and such other matters as may appear expedient;

(f) to perform all acts necessary for the proper management of the supply of electricity.

FIRST SCHEDULE.

(Section 13.)

1. A Scheme to provide for the construction of a Power Station at Dhekelia, in the Larnaca District, and for the installation of a transmission and distribution system for giving supplies of electric current throughout the Colony.

The Power Station building will be of the semi-outdoor type and will accommodate the following plant:—

two 7,000 kw. turbo-alternators generating at 11,000 volts, 3 phase, 50 periods;

one 14,000 kw. turbo-alternator generating at 11,000 volts, 3 phase, 50 periods;

one 750 kw. oil engine alternator generating at 415 volts, 3 phase, 50 periods;

three 90,000 lbs. oil fired boilers,

together with associated plant, control gear, offices and quarters.

The supply from the main 11,000 volt switchboard will be taken to out-door type step-up transformers with secondary output at 66,000 volts. An out-door switching station will control the incoming supply from the transformers and the outgoing supply feeders.

In the first instance a central primary 66,000 volt transmission ring with a spur line will provide supplies to Larnaca, Limassol, Lefka, Morphou, Nicosia, Famagusta and such other consumers situated along the route of the primary transmission lines as may be approved by the Authority. Subsequently a second primary transmission ring will be completed east of the central ring.

A secondary distribution system, supplied from points on the primary transmission system, will operate at 11,000 volts to give supplies to local low voltage networks.

The estimated cost of the Scheme is £3,701,000.

2. The Scheme will be operated by the Authority as a commercial corporation.

SECOND SCHEDULE.

(Section 27.)

The Electricity Development Law, Cap. 171.

Notice is hereby given that the following immovable property [*describe immovable property, giving measurements and showing boundaries whenever practicable*] is required by the Authority for , within the power of the said Authority.

Any person claiming to have any right or interest in the said immovable property is required within six weeks from the date of this notice to send to me a statement of his right and interest and of the evidence thereof, and of any claim made by him in respect of such right or interest.

The Authority is willing to treat for the acquisition of the said immovable property.

A plan showing the immovable property described above is available for inspection at

The day of , 19 .

*Chairman of the Electricity Authority of
Cyprus.*

THIRD SCHEDULE.

(Section 40.)

1. In this Schedule—

“the Law” means the Arbitration Law (Cap. 4) or any Law amending or substituted for the same;

“the Court” means the District Court of the district where the property acquired or the head office of the undertaking acquired is situate, consisting of the President of such Court and one or two members thereof.

2. The arbitration shall be by reference to two arbitrators, to be one appointed by each party and every such reference shall be deemed to constitute an agreement within the meaning of the Law.

3. If the arbitrators fail to agree the Court shall be an umpire to decide between them.

4. (1) When acting as an umpire, the Court shall have the same powers and shall conduct the inquiry as nearly as may be as if sitting as a Court for the hearing of a civil action.

(2) At any such inquiry, the Court may receive in evidence without further proof—

(a) the award or the awards of the arbitrators;

(b) any statement made before the arbitrators by any person who had appeared before them;

(c) any document produced before the arbitrators.

5. Any person interested may be represented before the Court or the arbitrators by an advocate.

6. Any order of the Court made in an inquiry when acting as an umpire shall be deemed to be a judgment of a Court in a civil action and shall be subject to appeal as any such judgment.

Note: This Law came into operation on the 30th October, 1952 (52 Vol. II, 482).

