

Memo to Cabinet concerning an amendment to the
Electricity Supply Regulations and a
Validation of Payments Bill

When the Electricity Supply (Amendment) Regulations of 1960 were enacted, a clause relating to electrical appliances and equipment was inadvertently excluded from the assessment of the first block of units chargeable at 5½d. In fact, the Regulations omitted to charge for electrical appliances and equipment installed in commercial premises. Charges however continued to be raised as if an amendment to regularise the position were effected to the Regulations.

2. One of the large commercial establishments has already discovered this flaw in the Electricity Supply Regulations and a sum of £2,175. 12s.5d. has had to be refunded by the Malta Electricity Board. Other consumers are bound to become aware of the flaw, with the result that considerable refunds will have to be effected.

3. On checking last year's accounts the Malta Electricity Board auditors became aware of the loophole in the Regulations and suggested that the fact that there is a contingent liability in respect of certain claims should be noted on the Board's Accounts. A note of this nature in a document that enjoys wide publicity would be tantamount to an invitation to all who imagine to have been badly treated to send in a claim.

4. It is relevant to point out that the Malta Electricity Board as well as the Government may be involved in refunds capable of running into tens of thousands of pounds.

5. It is, therefore, recommended to incorporate the following clause as sub-paragraph "c" in the Second Schedule under Regulation 34, the existing sub-paragraph "c" being re-lettered "d":-

"120 units per each K.W. rating of any appliance and equipment installed in the premises as assessed by the Malta Electricity Board, provided that no account shall be taken of any appliance and equipment having a rating of 0.5 K.W. and below; and"

6. In order to legalise the over payments which might have been made by consumers and to block further requests for refunds, it is recommended that the amendment should be given retrospective effect to the date of enactment of the Regulations in 1960. For this purpose a validation of payments bill has been drawn up by the Crown Advocate General who advises that backdating will be 'ultra vires' and may be challenged in court unless covered by an 'ad hoc' bill.

A copy of the Legal Notice and a Validation of payments Bill prepared by the Crown Advocate General is attached

7. Ministers are therefore requested to agree to

- (1) the enactment of an amendment to the Electricity Supply Regulations as recommended in paragraph 5 above.
- (2) the enactment of a Validation of Payments Bill to legalise the overpayments.

18th January, 1967.

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ELECTRICITY ACT, 1963

Electricity Supply (Amendment) Regulations, 1966

Date of commencement:

IN exercise of the powers conferred by section 40 of the Electricity Act, 1963, the Malta Electricity, with the approval of the Honourable Minister of Trade, Industry and Agriculture, has made the following regulations:-

1. These regulations may be cited as the Electricity Supply (Amendment) Regulations, 1966, and shall be read and construed as one with the Electricity Supply Regulations, 1939.

2. Paragraph 2 of the Second Schedule to the Electricity Supply Regulations, 1939, shall be amended as follows:-

(1) immediately after sub-paragraph (b) thereof there shall be inserted the following new sub-paragraph:

"(c) 120 units per each K.W. rating of any appliance and equipment installed in the premises as assessed by the Malta Electricity Board, provided that no account shall be taken of any appliance and equipment having a rating of 0.5 K.W. and below; and";

(2) the present sub-paragraph (c) thereof shall be re-lettered as sub-paragraph (d).

A B I L L

entitled

AN ACT to validate certain payments made for the supply of electrical energy.

BE IT ENACTED by the Queen's most Excellency Majesty, by and with the advice and consent of the House of Representatives of Malta, in this present Parliament assembled, and by the authority of the same, as follows:-

Short Title. 1. This Act may be cited as the Electricity (Validation of Payments) Act, 1966.

Validation of certain payments made

2. Notwithstanding the provisions of the Second Schedule to the Electricity Supply Regulations, 1939, any amount of money charged and collected by the Manager of the Water and Electricity Department, or by the Water Authority in the name and on behalf of the Malta

Act No. XXIV of 1963.

Electricity Board in pursuance of the Electricity Act, 1963 for the supply of electrical energy to commercial premises between the 30th September, 1960, and the date of enactment of this Act, shall, to all intents and purposes whatsoever, be conclusively deemed to have been lawfully charged and collected.

OBJECTS AND REASONS

The object of this Bill is to validate certain payments made for the supply of electrical energy to commercial premises as from the 30th September, 1960.