

I assent this 27th day of May, 2015

ALHAJI MUKHTAR RAMALAN YERO
Executive Governor of Kaduna State of Nigeria



Law No. 11

2015

Kaduna State of Nigeria

**A LAW TO ESTABLISH THE KADUNA POWER
SUPPLY COMPANY (KAPSCO) LAW, 2015**

(27th May, 2015) Date of
Commencement.

BE IT ENACTED by the House of Assembly of Kaduna Enactment.
State as follows:

**PART I
PRELIMINARY**

1. This Law may be cited as the Kaduna Power Supply Short Title.
Company Law, 2015.

2. This Law shall come into operation on the 27th day Commencement.
of May, 2015.

3. In this Law unless the context otherwise requires: Interpretation.

"Board" means the Governing Board of the Company;

"Chairman" means the Chairman of the Board;

"Company" means the Kaduna Power Supply
Company;

"Dam" includes any water reservoir constructed or
otherwise which could be used for power generation;

"Government" means the Government of Kaduna State;

"Governor" means the Executive Governor of Kaduna State;

"Hydro-electric Power" includes any form of electricity generated by any means or from whatever source including, but not limited to dams, rivers and canals;

"Member" means a Member of the Board and includes the Chairman; and

"State" means Kaduna State of Nigeria.

PART II

ESTABLISHMENT OF THE COMPANY, THE GOVERNING BOARD AND ITS COMPOSITION

Establishment
of the
Company.

4. (1) There is hereby established in the State a Body to be known as the Kaduna Power Supply Company (KAPSCO) (herein referred to as the "Company").

(2) The Company shall be a body corporate with perpetual succession having a Common Seal and may sue or be sued in its corporate name.

(3) The Company shall have the power to acquire, hold, own or dispose of land and landed property.

Governing
Board/
Composition.

5. (1) There is established for the Company a Governing Board.

(2) The Board shall consist of:

- (a) a Chairman;
- (b) the Managing Director and Executive Directors of the Company;
- (c) eight other members who shall possess requisite technical or specialised knowledge

relevant to the Company to be appointed by the Governor.

- (d) a representative each from the following:
- (i) Ministry of Rural and Community Development;
 - (ii) Ministry of Water Resources;
 - (iii) Ministry of Agriculture;
 - (iv) Ministry of Justice;
 - (v) Ministry of Finance;
 - (vi) Ministry of Lands, Survey and Country Planning.

6. (1) All members shall be appointed on part time basis except the Managing Director and Executive Directors and shall hold office for a period of four (4) years on such terms and conditions as may be specified in their letters of appointment and may be re-appointed for another term and no more.

Appointment
and Tenure of
Members.

7. A member shall be paid such emoluments, allowances and benefits as the Executive Governor may from time to time approve.

Salary and
Emoluments.

8. A member shall cease to hold office on the occurrence of the following:

- (a) death;
 - (b) inability resulting from any cause to discharge the functions of his office;
 - (c) conviction for a criminal offence involving fraud or dishonesty;
 - (d) resignation;
 - (e) dissolution of the Company; or
 - (f) removal by the Governor.
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Appointment
of the
Managing
Director.

9. (1) There shall be appointed for the Company by the Governor a Managing Director who shall be the Chief Executive Officer of the Company and shall be a person with good background in power generation and administration. He shall be responsible for the day to day administration of the Company.

(2) The Chief Executive Officer shall hold office for a period of four (4) years and may be re-appointed for another period of four (4) years on such terms and conditions as may be determined by the Governor.

Appointment
of the Execu-
tive Director
and Other
Staff of the
Company.

10. (1) The Company shall appoint tow (2) Executive Directors who shall be responsible for the Chief Executive Officer and specifically be in charge of:

- (a) Operations; and
- (b) Corporate Services.

(2) The Company may from time to time appoint such other staff and employees as it may deem necessary for the proper and efficient conduct of its business.

(3) The terms and conditions of the service (including remuneration, allowances, benefits and pension) of staff and employees of the Company shall be determined by the Company on the recommendation of the State Civil Service Commission.

Appointment
of Secretary/
Legal Adviser.

11. (1) There shall be appointed for the Company by the Governor a Secretary/Legal Adviser who shall be a Legal Practitioner of not less than ten years post-call experience.

(2) The Secretary/Legal Adviser shall be responsible for:

- (a) providing legal advice to the Board and Company;

- (b) making arrangements for meetings;
- (c) preparing the agenda and minutes of meetings;
- (d) keeping all records and correspondences of the Company; and
- (e) discharging all such other functions as may be assigned by the Managing Director.

12. Service in the Company shall be approved service Pension. the purpose of the Pension Reform Law and accordingly, officers and other persons employed in the Company shall be entitled to pensions and other retirement benefits as are prescribed thereunder.

13. The functions of the Company shall be to:

Functions of
the Company.

- (a) Obtain all the necessary approvals, permits or licenses from the relevant authority for the proper functioning and executions of its approved objects.
- (b) Construct, reconstruct, maintain and operate electric generating stations, transmission lines, transformer stations and other stations, building and other works necessary for carrying out its duties under this Law, including the distribution of water from any lake, river, stream or other natural sources and the doing of all such acts as may be necessary for the purpose of utilising and returning the water so abstracted.
- (c) Ensure proper management of the State hydro-electric power generation dams, generation plants, transmission lines and associated substations.

- (d) Managing and maintaining all working electricity undertakings which are vested in the Company under this Law and such other electricity undertakings as may be required by the Company.
 - (e) Generate, transmit, transform, distribute and sell electricity either in bulk or to individual customers in any part of Kaduna State and shall for such purposes have and be subject to all the rights, powers, obligations and duties conferred or imposed by the Electricity Act on a license.
 - (f) Build, acquire and to establish workshops, factories, laboratories, research centres, depots, warehouses and other premises through which the objects of the company may be carried out.
 - (g) Undertake the planning, design, development, productions, testing and maintenance of electrical equipment and systems, electrical engineering and all branches of electrical works.
 - (h) Provide electrical and electronic services such as installations, repairs and services of electrical equipment of all kinds.
 - (i) Assemble, manufacture, supply, import, buy, sell and otherwise deal in electronics and electrical equipment (including computers and communication equipment) and to do likewise in respect of their components and accessories.
 - (j) Provide reliable, efficient and affordable electricity to customer within and outside Kaduna State.
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14. The Powers of the Company shall subject to the approval of the Governor be to: Powers of the Company.

- (a) Enter into or execute any contractual agreements, memorandum of understanding with any person, body, agency, institution or non-governmental organisation with a view to actualising its target of power generation and transmission.
- (b) Explore and harness other avenues or sources of power generation.
- (c) Borrow any sum of money from time to time, from national or international sources, by way of mortgage or otherwise with a view to financing its activities.

15. The Company shall have the following Departments, each to be headed by a Director with requisite experience relating to its field as follows: Power to Borrow.

- (a) Administration
- (b) Accounts
- (c) Design and Construction
- (d) Technical
- (e) Commercial
- (f) Human Resource Management

PART IV FINANCIAL PROVISIONS

16. (1) The Company shall establish and maintain a fund from which there shall be defrayed all expenditure incurred by it. Funds of the Company.

(2) There shall be paid or credited to the Fund:

- (a) all sums and mortgages, debentures, investment or other property vested in the

Company by or under the provisions of this Law;

- (b) such monies as may be appropriated, from time to time to the Company by the Government of Kaduna State;
- (c) all monies that may accrue to it from the sale of its products and sciences;
- (d) all monies which may from time to time be granted or invested in the Company by other persons, Companies or corporations;
- (e) any sum earned or arising from any property or investment acquired by or vested in the Company;
- (f) monies raised by loan under the powers to borrow vested in the Company by this Law;
- (g) all monies which may vest in the Company under any enactment or Law;
- (h) all other sums or property which may in any manner become payable to or vested in the Company in respect of any matter incidental to its functions under this Law.

Application of
the Funds of
the Company.

17. (1) The Company may, from time to time apply the funds at its disposal to:

- (a) the pursuance of all or any of its functions under the provisions of this Law;
- (b) the cost of administration;
- (c) the remuneration, honoraria and expenses of the Company or of any class of members in respect of their duties under the provisions of this Law;

- (d) the payment of salaries, allowances, gratuities or pensions of staff of the Company;
- (e) any payment of any taxes or other charges payable by it under any enactment or Law;
- (f) any other purpose necessary or incidental to carrying out of its functions.

(2) The Company may, with the approval of the Board, from time to time make grants from the funds at its disposal to any institution, society or scheme which in the opinion of the Board is likely to be of benefit to the people of the State.

18. The Company shall cause to be prepared and submit to the Accountant-General of the State, not later than 30th September of each year, an estimate of the expenditure and income of the Company for the following.

Annual Estimate.

19. The Company shall cause to be kept proper records of its accounts in respect of each financial year, and shall cause the said accounts to be audited not later than six (6) months after the end of each year by Auditors appointed in accordance with the guidelines approved by the Auditor-General of the State.

Annual Account of the Company.

20. The Company may subject to the provision of this Law, and the condition of any trust created in respect of any property, invest all or any part of its securities as may be approved by the Board.

Exemption.

PART V MISCELLANEOUS

22. Subject to the provisions of this Law, the Governor may give to the Company such directions of a general or special nature in relation to the performance of any or all of its functions under this Law, and it shall be the duty of the Company to comply with such directives.

Direction by the Governor.

Regulations.

23. The Company may with the approval of the Governor make such regulations as may be necessary or expedient for carrying into effect the provisions of this Law.

**Power to
Co-opt.**

24. The Company may co-opt any person or body as a member and, while so co-opted, such person shall have all rights and privileges of a member except that he shall not be entitled to vote or count towards a quorum.

Committees.

25. (1) The Company may appoint such number of standing and/or ad-hoc committees as it thinks fit to consider and report on any matter with which the Company is concerned.

(2) Every Committee appointed under the provisions of this Law shall be preside over by a member of the Board and shall be made up of such number of persons, not necessarily members of the Board as may be deemed expedient.

**Authentication
of Documents.**

26. (1) Anything done or required to be done by the Company in pursuance of any of its functions under the provisions of this Law may be signified under the hand of the Chief Executive or of any officer who has been authorised by the Company for that purpose.

(2) Any document purporting to be a document executed or issued under the Seal of the Company or on behalf of the Company, shall unless the contrary is proved, be deemed to be a document so executed, or issued.

27. (1) The Board shall in each year hold a general meeting as its Annual General Meeting in addition to any other meetings in the year and it shall declare it as such.

(2) The Annual General Meeting shall be held within six months after the close of each Financial Year.

(3) The Corporation shall ordinarily meet for the dispatch of business at such times and place as the Chairman may from time to time appoint, but not less than three times in any Financial Year.

(4) The Chairman shall preside at all meetings of the Company when he is present and when he is not present such other member of the Company present at the meeting as the members may appoint for that meeting shall preside at the meeting.

(5) When not less than seven members of the Board request the Chairman, by notice in writing signed by them to convene an extraordinary meeting of the Company for the purposes specified in the notice, the Chairman shall upon receipt of such notice convene an extraordinary meeting of the Corporation for those purposes at the earliest convenient date.

(6) Notwithstanding anything in the foregoing provisions of this paragraph the first ordinary meeting of the Company shall be summoned by the Chairman who may give such directions as he thinks fit as to procedure which shall be followed at the meeting.

28. (1) All questions at a meeting of the Company shall be determined by a majority of votes of members of the Company present and voting, being members who under this paragraph are entitled to vote at such meeting.

(2) At any meeting of the Company each member thereof other than the Chairman shall vote, and in the event of equality of votes the Chairman shall have a casting vote.

PART VI
SUPPLEMENTARY PROVISIONS RELATING TO THE
BOARD AND ITS PROCEEDINGS

Standing
Orders.

29. The Board may make Standing Orders to regulate its proceedings or those of any of its Committees.

Quorum.

30. The quorum for the Board shall be the Chairman (or in appropriate cases the person presiding at the meeting) and five other members.

Number of
Meetings.

31. The Board shall meet not less than four (4) times in each year or such number of times at it may consider necessary.

Disclosure of
Interest by
Members of
the Company.

32. (1) A member of the Company who is in any way directly or indirectly interested in a transaction or project of the Company shall disclose the nature of his interest at the meeting of the Company and the disclosure shall be recorded in the minutes book of the Company and such member shall not take part in any deliberation or decision of the Company with respect to that transaction or project.

(2) For the purpose of subparagraph (1) above a general notice given at a meeting of the Company by a member to the effect that he is associated with any trade or business or is a member of a specified company or firm is to be regarded as a show of interest in any transaction or project of the Company concerning that trade, business, company or firm and shall be regarded as sufficient disclosure of interest in relation to that transaction or project.

(3) A member of the Company need not attend in person at a meeting of the Board in order to make a disclosure which he is required to make under this paragraph if he takes reasonable steps to ensure that the disclosure is made by a notice which is brought up and read at the meeting.

33. (1) The Seal of the Company such as may be ^{Common Seal.} determined by the Board and the affixing of the Seal shall be authenticated by the signature of the Chairman and the secretary or of some other members authorised generally or specifically by the company to act for that purpose.

(2) Any document purporting to be a document duly executed under the Seal of the Company shall be received in any court and shall, unless the contrary is proved, be deemed to be so executed.

34. The validity of any proceeding of the Board shall ^{Validity of Proceedings.} not be affected by any vacancy in the membership of the Board by any defect in the appointment of a member of the Board or by reason that a person not entitled to do so took part in the proceedings.

35. All properties, assets and liabilities that were hitherto ^{Transfer of Properties, Assets and Liabilities.} vested in the Kaduna State Agency for Power generation (KAPGEN) before the commencement of this Law shall be vested in the Company.

36. The Kaduna State Agency for Power Generation ^{Repeal.} (KAPGEN) Law No. 10 of 2007 is hereby repealed.

DATED AT Kaduna this 27th day of May, 2015.

EXPLANATORY NOTE

(This note does not form part of this Law and has no legal effect).

The purpose of this Law is to repeal the Kaduna State Power Generation Agency Law No. 10 of 2007 and establish the Kaduna State Power Supply Company (KAPSCO).

This printed impression has been carefully compared with the Bill which has passed the Kaduna State House of Assembly and found to be true and correctly printed copy of the said Bill.

HON. SHEHU USMAN TAHIR
(Speaker)

BARR. UMMA ALIYU HIKIMA
(Clerk to the Legislature)