



**PROVINCIAL ELECTRICITY AUTHORITY ACT,
B.E.2503 (1960)**

In the name of
H.M. King Bhumibol Adulyadej, Rex.
Sangwan
Regent
Given on the 20th Day of September, B.E.2503;
Being the 15th Year of the Present Reign.

His Majesty King Bhumibol Adulyadej is graciously pleased to proclaim that:

Whereas it is expedient to amend the law on the Provincial Electricity Authority that contains certain provisions in relation to the restriction of rights and liberties of persons in dwelling places and properties and the expropriation of immovable properties, in respect of which section 35, section 48 and section 49 of the Constitution of Kingdom of Thailand so permit by virtue of the provisions of law;¹

As last amended by the Provincial Electricity Authority Act (No.4), B.E. 2542 (1999)

Be it, therefore, enacted by the King, by and with the advice and consent of the National Assembly, as follows:

Section 1. This act is called the “Provincial Electricity Authority Act, B.E. 2503”.

Section 2. This Act shall come into force as from the day following the date of its publication in the Government Gazette.

Section 3. All other laws, rules and regulations in so far as they have already been provided herein, or are contrary to or inconsistent with the provisions of this Act, shall be replaced by this Act.

Section 4. In this Act:

“Provincial Electricity Authority” means the Provincial Electricity Authority established under this Act;

“Board” means the Board of Directors of the Provincial Electricity Authority;

“Governor” means the Governor of the Provincial Electricity Authority;

“official” means an official of the Provincial Electricity Authority, including the Governor;

“Minister” means the Minister having charge and control of the execution of this Act.

Section 5. The Minister of Interior shall have charge and control of the execution of this Act and shall have the power to issue Ministerial Regulations for the execution of this Act.

Such Ministerial Regulations shall come into force upon their publication in the Government Gazette.

CHAPTER I

Establishment of the Provincial Electricity Authority, Capital and Reserves

Section 6.² There shall be established an electricity authority called the “การไฟฟ้าส่วนภูมิภาค”, having acronym “กฟภ.” in Thai and shall be called the “Provincial Electricity Authority”, having acronym “PEA” in English with the following objectives:

- (1) to generate, acquire, transmit and distribute electric energy;

² As amended by section 3 of the Provincial Electricity Authority Act (No.4), B.E. 2542 (1999)

(2) to carry out businesses related to electric energy and other businesses incidental thereto, or those which will be for the benefit of the Provincial Electricity Authority.

Section 7.³ The Provincial Electricity Authority shall have the power to carry out activities within the scope of its objectives:

(1) in the provincial areas which are not the districts in which the Metropolitan Provincial Electricity Authority operates on the day this Act comes into force; and

(2) in the neighboring country.

Section 8. The generation, acquisition, transmission and distribution of electric energy are public utilities and shall be governed by the provisions of the laws dealing with such activities.

Section 9. The Provincial Electricity Authority shall be a juristic person.

Section 10.⁴ The Provincial Electricity Authority shall establish its head office in Bangkok Metropolis and may establish branch offices or appoint agents anywhere.

Section 11. The properties, assets, liabilities, responsibilities and the business of the Provincial Electricity Organization shall be transferred to the Provincial Electricity Authority.

Section 12. The initial capital of the Provincial Electricity Authority shall consist of:

(1) the annual budgetary appropriation for the year B.E.2503 of the Provincial Electricity Organization;

(2) the properties and assets transferred from the Provincial Electricity Organization.

Provided that the liabilities of the Provincial Electricity Organization shall first be deducted therefrom.

Section 13.⁵ The Provincial Electricity Authority shall have the power to carry out various activities within the scope of its objectives under section 6. Such power shall include the followings:

(1) to construct, purchase, procure, dispose of, hire, let, sell on hire-purchase, borrow, lend and engage in operation concerning equipment, services and other facilities of the Provincial Electricity Authority;

³ As amended by section 3 of the Provincial Electricity Authority Act (No.3), B.E. 2535 (1992)

⁴ As amended by section 4 of the Provincial Electricity Authority Act (No. 4), B.E. 2542 (1999)

⁵ As amended by section 5, *ibid.*

(2) to purchase, procure, dispose of, hire, let, sell on hire-purchase, borrow, lend, accept pledge or mortgage, transfer, accept transfer, exchange, own, possess or deal with any property in other manners as well as to accept property donated to it;

(3) to survey and plan new or additional activities within the areas referred to in section 7;

(4) to prescribe the type, capacity and standard of generating plants, high or low potential transmission lines, and other accessories as well as fuels to be used in the generation of electric energy of the Provincial Electricity Authority so as to meet the technical and economical principles, to lay down policy and exercise control over the generation of electric energy in various plants of the Provincial Electricity Authority;

(5) subject to the provisions of section 6 of the National Energy Policy Act, B.E. 2535, to prescribe electric energy selling rates and the rates of charges for services and facilities rendered by the Provincial Electricity Authority and to issue regulations on the methods of payment of service and facility fees;

(6) to issue regulations on safety in the use and maintenance of the properties of the Provincial Electricity Authority;

(7) to borrow money or make investment;

(8) to issue bonds or other instruments for investment;

(9) to form a limited company or a limited public company for the purpose of carrying out the business concerning electric energy and other businesses associated with or in the interests of the businesses of the Provincial Electricity Authority;

(10) to form a joint venture with other agencies, whether private or governmental, within and outside the country or with international organizations, or to hold shares of a limited company or a limited public company for the benefit of the businesses of the Provincial Electricity Authority;

(11) to perform other activities in connection with or in relation to the achievement of the objectives of the Provincial Electricity Authority.

Section 14. The properties of the Provincial Electricity Authority shall not be subject to judicial execution.

Section 15.⁶ The Chairman, Directors and officials who have the duty to carry out the provisions of section 34, section 36, section 37, section 37 bis or section 38 shall be competent officials under the Criminal Code.

Section 16. The reserves of the Provincial Electricity Authority shall consist of reserve for contingencies, reserve for depreciation and such other reserves as the Board may deem appropriate.

Section 17. The Provincial Electricity Authority shall open accounts with a bank in accordance with the rules issued by the Board with the approval of the council of Ministers.

CHAPTER II

Supervision, Control and Management

Section 18. The Minister shall have the power and duties to exercise general supervision of the activities of the Provincial Electricity Authority, and for such purpose may order the Provincial Electricity Authority to give facts or opinions, or submit reports.

Section 19. In the case where the Provincial Electricity Authority has to refer any matter to the Council of Ministers under this Act, the matter shall be submitted by the Board to the Minister for presentation to the Council of Ministers.

Section 20.⁷ There shall be a board called the “Board of Directors of the Provincial Electricity Authority” consisting of a Chairman, the Governor as a Director *ex-officio*, and not less than five but not more than thirteen other Directors.

The Council of Ministers shall appoint the Chairman and the Directors.

Section 21. Persons to be appointed Chairman and Directors shall be of Thai nationality and shall have adequate knowledge and experience in matters concerning business management, electricity, engineering, economics, finance or law.

Section 22. A person under any of the following descriptions shall not be appointed Chairman or Director:

⁶ As amended by section 6, *ibid*.

⁷ As amended by section 5 of the Provincial Electricity Authority Act (No.3), B.E.2535 (1992)

(1)⁸ being a person having direct or indirect interest in a contract with, or in any business conducted for or in competition with the Provincial Electricity Authority or having ceased to be such an interested person for less than three years, unless he or she is a shareholder or a partner with limited liability in such business or a chairman, director, manager or executive as appointed by the Provincial Electricity Authority in the businesses under section 13 (9) and (10);

(2) being an official other than the Governor.

Section 23.⁹ Subject to section 27, section 28 and section 42, the Board shall have the power and duties to lay down policies and exercise general supervision of the activities of the Provincial Electricity Authority. Such power and duties shall include the followings:

- (1) to issue regulations on the activities under section 13;
- (2) to issue regulations on the meeting and conduct of activities of the Board;
- (3) to issue regulations on the recruitment, appointment and removal of officials;
- (4) to issue regulations on the method of the conduct of works and regulations on discipline and punishment of officials;
- (5) to prescribe electric energy selling rates and rates of charges for services and facilities rendered;
- (6) to prescribe the salary scales of officials;
- (7) to issue regulations on official uniform;
- (8) to issue regulations on disposal of assets and liabilities from accounts according to generally accepted accounting principles.

The selling rates under (5) shall be fixed at proper rates to ensure sufficient revenue for:

- (a) covering all the necessary operating expenses, including interest and depreciation, provident fund or other aids for the welfare of the employees and their families, and bonuses;
- (b) settling the debts when the amount set up for debts settlement exceeds the amount set aside for depreciation, and for the increased cost of replacement of properties; and

⁸ As amended by section 7 of the Provincial Electricity Authority Act (No.4),B.E.2542 (1999)

⁹ As amended by section 8, *ibid.*

(c) providing adequate reserves to meet contingencies and to finance a substantial portion of the expenses necessary for expanding the business and making investment approved under section 43.

If the regulations on the method of the conduct of works issued by the Board under (4) contain any clause restricting the exercise of power of the Governor in executing any juristic act, the Minister shall have to publish such restricted clause in the Government Gazette.

Section 24.¹⁰ The Chairman and Directors appointed by the Council of Ministers shall hold office for a term of three years.

The Chairman and Directors retiring from office may be reappointed.

Section 25. The Chairman and Directors vacate office before the expiration of their terms of office under section 24 upon:

- (1) death;
- (2) resignation;
- (3) being dismissed by the Council of Ministers; or
- (4) being disqualified under section 21 or being prohibited under section 22.

In the case of a vacancy before the expiration of term of office, the new Chairman or Director, as the case may be, shall be appointed and the appointee shall hold office for the remaining term of the member he or she replaces.

Section 26. The Chairman and Directors may receive such remuneration as determined by the Council of Ministers.

Section 27. The Board shall appoint the Governor, who shall be of Thai nationality and shall have adequate knowledge and experience in the matters concerning business management, electricity, engineering, economics, or finance.

The Governor shall receive salary as determined by the Board and shall hold office until being removed therefrom by the Board on the ground of inefficiency, dishonesty or incompetence in the performance of duties. A resolution removing the Governor must be supported by more than half of the votes of all the directors, excluding the Governor.

¹⁰ As amended by section 6 of the Provincial Electricity Authority Act (No. 3), B.E. 2535 (1992)

The appointment, determination of salary and removal from office under this section shall require the approval of the Council of Ministers.

Section 28. A person under any of the following descriptions shall not be appointed Governor or if he or she has already been appointed, such person shall be removed from office:

(1)¹¹ being a person having direct or indirect interest in a contract with or in any business conducted for or in competition with the Provincial Electricity Authority or having ceased to be such an interested person for less than three years, unless he or she is a shareholder or a partner with limited liability in such business or a chairman, director, manager or executive as appointed by the Provincial Electricity Authority in the businesses under section 13 (9) and (10);

(2) being a government official, or holding a political position; or

(3) being a person unable to devote his or her full time to the services of the Provincial Electricity Authority.

Section 29.¹² The Governor shall administer the businesses of the Provincial Electricity Authority in accordance with the objectives, powers and duties of the Provincial Electricity Authority as well as regulations and policies issued by the Board and shall be the superior official of all.

The Governor shall be responsible to the Board for the administration of the businesses of the Provincial Electricity Authority.

Section 30. In respect of its external relations, the Governor shall represent the Provincial Electricity Authority and, for this purpose, may delegate his or her authority to any agent of the Provincial Electricity Authority appointed under section 10, or to any person to perform any specific activity on his or her behalf; provided that it must be in accordance with the regulations issued by the Board.

In the case where a regulation published in the Government Gazette under the last paragraph of section 23 provides that the Governor may execute a juristic act with the prior approval of the Board, any such act if done without the said approval shall not be binding upon the Provincial Electricity Authority unless ratified by the Board.

¹¹ As amended by section 9 of the Provincial Electricity Authority Act (No. 4), B.E. 2542 (1999)

¹² As amended by section 10, *ibid.*

Section 31. The Governor shall have the power:

(1) to employ, appoint, remove, promote, reduce or deduct the salaries of and impose the conditions in connection with the work to be carried out by the officials; provided that it shall be in accordance with the regulations issued by the Board. In the case of an official holding the position of an advisor, an expert or a departmental head, the Governor shall acquire prior approval of the Board; and

(2) to issue rules on the conduct of work of the Provincial Electricity Authority, which shall not be contrary to or inconsistent with the regulations issued by the Board.

Section 32.¹³ When the Governor is unable to perform the duties or when the position of the Governor becomes vacant and a new Governor has not yet been appointed, the Board shall appoint an official to be the Acting Governor, and in this regard section 28 shall apply *mutatis mutandis*.

The Acting Governor shall have the same power and duties as those of the Governor, except those power and duties of the Governor in his or her capacity as the Director of the Provincial Electricity Authority.

Section 33. The Chairman, Directors, and officials may receive bonuses as determined by the Council of Ministers.

CHAPTER III

Construction and Maintenance of the Electric Energy Transmission System

Section 34.¹⁴ For the purpose of construction and maintenance of the electric energy transmission system such as high potential or low potential transmission lines, poles, power stations and other accessories, the officials shall have the power to make use or take temporarily possession of the immovable properties in any person's possession so long as it is not a dwelling place, subject to the following conditions:

¹³ As amended by section 11, *ibid*.

¹⁴ Section 34 and 35 as amended by section 12, *ibid*.

(1) such use of the property is necessary for the inspection of the electric energy transmission system and for the prevention of danger or damage that may occur to the electric energy transmission system; and

(2) a written notice has been served to the owner or possessor of the immovable property in advance within a reasonable time.

If there is any damage to the owner or possessor of an immovable property or a holder of other right as a result of the act officials referred to in paragraph one, such person may claim compensation from the Provincial Electricity Authority.

Section 35. When there is necessary for the Provincial Electricity Authority to acquire an immovable property for the construction of a power plant and electric energy transmission or distribution system or for the setting up of a power station and the transfer of such immovable property has not yet been settled otherwise, the expropriation shall be carried out in accordance with the law on expropriation of immovable properties.

Section 36.¹⁵ The Provincial Electricity Authority shall have the power to lay high or low potential transmission lines under, above, along, or across land belonging to any person, or to erect or set up poles, power stations, or other accessories on land belonging to any person if it is not the land where a dwelling place had already been built.

In the case where any part of land needs to be used for such purpose under paragraph one, the Provincial Electricity Authority shall pay a fair compensation for the use of the land to the owner or possessor or holder of other right, unless the owner or the possessor or the holder of other right has received adequate benefits therefrom and also gives the consent thereto.

Before proceeding with paragraph one, the Provincial Electricity Authority shall give a written notice to the owner or possessor or holder of other right of the property concerned within a reasonable time. Such owner or possessor or holder of other right may submit to the Board a counter petition giving the reasons against such inappropriate act within fifteen days from the date on which the notice is served. The decision of the Board shall be final.

¹⁵ Section 36 and 37 as amended by section 13, *ibid.*

Section 37. For the purpose of safety in transmitting electric energy, the Provincial Electricity Authority shall have the power to cut down trunks, branches or roots of the trees which stand close to the high or low potential lines, poles, power stations or other accessories; but the owner or possessor of the said trees shall be duly informed in advance within a reasonable time.

In the case where the trees have existed before the laying of the high or low potential transmission lines, or the erection or setting up of poles, power stations or accessories, the Provincial Electricity Authority shall pay compensation to those who have an interest in the trees for the damage to the extent caused by such act.

Section 37 bis.¹⁶ For the purpose of safety in transmitting electric energy, the Provincial Electricity Authority shall have the power of removal as necessary in the following cases:

(1) removing a board, structure for installing a board or facilities or safety device used in construction which is fixed close to or encroaching on high or low potential transmission lines, poles, power stations or other accessories;

(2) removing a board, a board structure or anything covering or overlying low potential transmission lines or other accessories which is fixed under or the ground-floor eaves or any part of the building;

The compensation for such removal needs not to be made but an advance written notice must be served to the owner or possessor of such building within a reasonable time.

In the case where the article under paragraph one has existed before the laying of high or low potential transmission lines or the erection or setting up of poles, power stations or other accessories, the Provincial Electricity Authority shall pay a compensation to those who have an interest thereof for the damages to extent caused by such act.

Section 37 ter. In proceeding with action under section 34, section 36, section 37 or section 37 bis, if the owner or possessor or holder of other right of the property concerned does not consent to the amount of compensation determined by the Provincial Electricity Authority or the owner or possessor or holder of other right is not found, the Provincial Electricity Authority shall deposit such money with the Deposit Office or the Government Savings Bank in the name of the owner or possessor or holder of other right in separate account on a case-to-case basis. In this regard, any interest or benefit occurring from such deposition shall also be vested in the owner or possessor or holder of other right.

¹⁶ Section 37 bis , 37 ter and 37quarter as added by section 14, *ibid.*

After the Provincial Electricity Authority has deposited the amount of compensation with the Deposit Office or the Government Savings Bank under paragraph one, it shall give a written notice to the owner or possessor or holder of other right by post requiring acknowledgement of receipt thereof. In the case where the owner or possessor or holder of other right is not found, the notice shall be published in a local daily newspaper for at least three consecutive days for information to the owner or possessor or holder of other right.

Section 37 quarter. In the case where the owner or possessor or holder of other right of the property concerned is not satisfied with the amount of compensation determined by the Provincial Electricity Authority, he or she shall, whether accepts or denies the compensation, have the right to bring a case to a court within one year as from the date on which the Provincial Electricity Authority has completed the action under paragraph two of section 37 ter.

The possession or use of immovable property, removal of building or destruction of other structure or any other proceeding conducted by the official shall not be interrupted due to the taking of legal action under paragraph one.

In the case where the court gives a judgement for a larger amount of compensation, the owner or possessor or holder of other right shall receive interest on the amount increased at the maximum rate for fixed deposits of the *Government Savings Bank* from the date on which such compensation must be paid, placed or deposited.

In the case where the owner or possessor or holder of other right of the property concerned satisfied with the compensation determined and has received such compensation or has not taken legal action for a larger amount of compensation within the period specified in paragraph one, or has given a written notice for the waiver of such right to compensation, no one may subsequently submit a claim therefor.

Section 38.¹⁷ In the case where there is necessity and urgency to prevent danger or damage, the official shall have the power to enter the land or premises of any person at any time to inspect, repair or correct the electric energy transmission system and other accessories, however, if the owner or possessor thereof is present in that place, prior notice shall be given to that owner or possessor.

Section 39.¹⁸ In conducting activities under section 36, section 37, section 37 bis or section 38, the official must try to prevent any damage, however, if it occurs, the Provincial Electricity Authority shall be liable therefor.

¹⁷ As amended by section 15, *ibid*.

¹⁸ Section 39 and 40 as amended by section 15, *ibid*.

Section 40. Any person who obstructs any act of the Provincial Electricity Authority or any official under section 34, section 36, section 37, section 37 bis or section 38, to the extent that it causes damage to the Provincial Electricity Authority, shall be liable to imprisonment for a term not exceeding six months or to a fine not exceeding ten thousand Baht, or to both.

CHAPTER IV

Relations with the Government

Section 41. In the carrying out of activities of the Provincial Electricity Authority, due regard shall be given to the safety, the interests of the State and the public.

Section 42.¹⁹ The Provincial Electricity Authority shall obtain prior approval of the Council of Ministers before undertaking the followings:

- (1) increasing or decreasing its capital;
- (2) borrowing money in excess of one hundred million Baht at a time;
- (3) disposing of immovable properties of value exceeding ten million Baht;
- (4) implementing the objectives of the Provincial Electricity Authority in a neighboring country;
- (5) issuing bonds or any other instruments for investment;
- (6) forming a limited company or a limited public company;
- (7) forming a joint venture with other agencies, whether private or governmental, within and outside the country, or with international organizations, or holding shares of a limited company or a limited public company.

Section 43. The Provincial Electricity Authority shall prepare an annual budget divided into capital account and working account. The capital account shall be submitted to the Council of Ministers for consideration and approval and the working account shall be submitted to the Council of Ministers for information.

Section 44. The income of the Provincial Electricity Authority shall belong to the Provincial Electricity Authority for various expenses provided under section 23.

¹⁹ As amended by section 16, *ibid.*

The annual income, after deducting the said expenses, shall be remitted as State revenue in accordance with the rules approved by the Council of Ministers.²⁰

If the income is insufficient to meet such expenses excluding the reserves under section 23 and the Provincial Electricity Authority is unable to acquire funds from other sources, the State shall provide the Provincial Electricity Authority with the fund in the amount equivalent to the deficit.

Section 45. The Provincial Electricity Authority shall prepare and submit to the Minister an annual report which shall contain the result of work completed by the Provincial Electricity Authority in the preceding year together with the statement of policy of the Board, projects and plans to be implemented in the future.

CHAPTER V

Petition and Aids

Section 46. The officials shall have the right to petition on the punishments imposed in accordance with the regulations issued by the Board.

Section 47. The Provincial Electricity Authority shall establish an aid fund, or other aids for the welfare of its employees and their families in the case of their retirement, accidents, illness or other cases deserving aid.

The establishment of such fund under the preceding paragraph, the classification of the recipients and the rules for giving aids as well as the management of the fund, shall be in accordance with the regulations issued by the Board.

Such regulations under the preceding paragraph shall be submitted to the Council of Ministers and shall come into force upon its approval.

CHAPTER VI

Accounting, Auditing and Examining

Section 48. The Provincial Electricity Authority shall set up and maintain an appropriate accounting system in accordance with the up-to-date accounting principles for the electricity business, cause regular internal audit and have books of accounts in which the following particulars shall be entered:

²⁰ As amended by section 17, *ibid.*

- (1) receipts and expenditures; and
- (2) assets and liabilities,

which shall represent the result of the performance and the actual and appropriate financial position of the Provincial Electricity Authority with respect to their categories, together with the particulars which are the sources of such entries.

Section 49. Each year the Board shall appoint one or more auditors to audit and certify the accounts of the Provincial Electricity Authority, annually.

The Chairman, Directors, Governor, other persons who are the representatives of the Provincial Electricity Authority, officials or persons who have interest in the work carried out by the Provincial Electricity Authority, shall not be appointed auditor.

Section 50. The auditor shall have the power to examine all the books of accounts and documents of the Provincial Electricity Authority at any appropriate time, and, for the purpose of auditing, shall have the power to interrogate or question the Chairman, Directors, Governor, and other persons who are the representatives of the Provincial Electricity Authority, or the officials.

Section 51. The auditor shall submit a report containing the appropriate explanation received in the course of auditing and completeness of the books of account maintained by the Provincial Electricity Authority, and shall also state whether:

- (1) the balance sheet and the accounts examined agree with the books of account; and
- (2) the balance sheet and the accounts examined represent the actual and appropriate conditions of works of the Provincial Electricity Authority according to the explanation received and the auditor's knowledge.

Section 52. The State Audit Council shall examine the accounts of the Provincial Electricity Authority at the request of the Minister.

Section 53. Within one hundred and fifty days as from the last day of the Provincial Electricity Authority's accounting year, the Provincial Electricity Authority shall publish its annual report showing the balance sheet, working account and profit and loss account as at the last date of the year, together with the report of the auditor appointed by the Board under section 49.

Countersigned by:

Field Marshal Sarit Dhanarajata
Prime Minister