

# ELECTRICITY AMENDMENT BILL

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## EXPLANATORY NOTE

THIS Bill amends the Electricity Act 1968.

*Clause 1* relates to the Short Title.

*Clause 2* makes it clear that the Minister may, with the consent of the licensee, cancel a licence issued under section 20 or section 21 of the principal Act.

*Clause 3* amends section 33 (1) of the principal Act so as to provide for the repayment of overseas loans from persons, organisations, and Governments as well as the International Bank for Reconstruction and Development.

*Clause 4* amends section 45 of the principal Act, which relates to subsidies for rural electrical reticulation. Provision is made for any Electrical Supply Authority to be able to seek a subsidy towards the cost of generating plant and distribution lines to supply all or any part of its district which cannot be economically supplied from the national electricity system. If the Rural Electrical Reticulation Council approves the application, it may subsidise the scheme up to a level which, including the return from consumers in the year in which the subsidy is paid and any subsidy from the Electrical Supply Authority, does not exceed 20 percent of the capital cost of the works.

*Clause 5* amends section 53 of the principal Act so as to qualify the protection afforded to the Crown, Electrical Supply Authorities, etc. The clause removes the protection in most cases where there has been negligence, but preserves unqualified protection in the case of rationing, and a fairly wide measure of protection in the case of cessation or deterioration of supply.

*Clause 6* repeals spent provisions in Part XIII of the Public Works Act 1928 that are connected with electricity and the use of water.

*Hon. Mr Shand*

## ELECTRICITY AMENDMENT

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### ANALYSIS

Title	4. Subsidies
1. Short Title	5. Protection of persons acting under authority of Act
2. Cancellation of licences	6. Repeal
3. Repayment of capital liability	

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### A BILL INTITULED

#### **An Act to amend the Electricity Act 1968**

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:

**1. Short Title**—This Act may be cited as the Electricity Amendment Act 1969, and shall be read together with and deemed part of the Electricity Act 1968\* (hereinafter referred to as the principal Act).

10 **2. Cancellation of licences**—Section 22 of the principal Act is hereby amended by adding to subsection (2) the words “or may, with the consent of the licensee, cancel the licence”.

15 **3. Repayment of capital liability**—(1) Section 33 of the principal Act is hereby amended by repealing paragraphs (a), (b), and (c) of subsection (1), and substituting the following paragraphs:

“(a) An amount equal to a half percent of the capital liability at the end of the previous year:

\*1968, No. 125

“Provided that for the purposes of this paragraph the capital liability shall be deemed to be reduced by any amount for the time being outstanding under any loan for the purpose of the supply of electricity raised from any person, organisation, or Government approved by the Minister of Finance at the request of the Minister of Electricity: 5

“(b) An amount equal to four percent of all the amounts repaid during the previous sixty years in reduction of the capital liability: 10

“Provided that for the purposes of this paragraph the amounts repaid during the previous sixty years shall be deemed to be reduced by all amounts repaid to any person, organisation, or Government, approved under paragraph (a) of this subsection, under any loan agreement in respect of any loan raised from that person, organisation, or Government for the purpose of the supply of electricity: 15

“(c) Any amounts agreed to be repaid to any person, organisation, or Government, approved under paragraph (a) of this subsection, from time to time as they fall due under any loan agreement in respect of any loan raised from that person, organisation, or Government for the purposes of the supply of electricity.” 20 25

(2) Section 33 of the principal Act is hereby further amended by inserting, after subsection (1), the following subsection:

“(1A) In subsection (1) of this section, the term “loan” includes a debt in respect of electrical equipment and ancillary supplies purchased under any arrangement whereby payment by the Minister is deferred for such period or periods and on such terms as may be agreed upon between the Minister of Finance and the person, organisation, or Government to whom the debt is due.” 30 35

**4. Subsidies**—(1) Section 45 of the principal Act is hereby amended—

- (a) By inserting in subsection (2), after the words “Each such subsidy”, the words “(except a subsidy under subsection (5) or subsection (5A) of this section)”: 40
- (b) By repealing the proviso to subsection (5).

(2) Section 45 of the principal Act is hereby further amended by inserting, after subsection (5), the following subsection:

5 “(5A) In any case where, in the opinion of the Council, the whole or any part of the supply district of an Electrical Supply Authority cannot be economically supplied from the Minister’s system of supply either directly or through the Electrical Supply Authority’s own system, the Council may pay, by way of subsidy to the Electrical Supply Authority for the purpose  
10 of providing plant for generating electricity and electric works and lines for the transmission and distribution of electricity within that area, such annual sum as the Council may in its discretion think fit:

15 “Provided that the amount of the subsidy, together with any contribution from the Electrical Supply Authority and the revenue from consumers in the year in which the subsidy is paid, shall not exceed twenty percent of the capital cost of plant and electric lines and works in respect of which the subsidy is paid.”

20 **5. Protection of persons acting under authority of Act—** Section 53 of the principal Act is hereby amended by repealing subsections (1) and (2), and substituting the following subsections:

25 “(1) Except as otherwise expressly provided in any regulations under this Act, no action, claim, or demand whatsoever shall lie or be made or allowed by or in favour of any person against the Crown, or any Minister of the Crown, or any Electrical Supply Authority, or any officer or person, for or in respect of any damage, loss, injury, or expenses sustained  
30 or incurred or alleged to have been sustained or incurred, by reason of anything done, continued, ordered, or directed, or purporting to be done, continued, ordered, or directed in the exercise or intended exercise of any of the functions of the Minister or the Department, whether under the authority of  
35 this Act or otherwise:

40 “Provided that, subject to subsection (2) of this section, the protection afforded by the foregoing provisions of this subsection shall not apply where there has been negligence on the part of the party claiming the protection of this subsection in connection with what has been so done, continued, ordered, or directed.

“(2) Except as otherwise expressly provided in any regulations under this Act, no person or body shall have any claim against the Crown, the Minister, or any Electrical Supply Authority, in the event of the failure of the supply of electricity, or of any variation in quantity or voltage or frequency of that supply, caused by demands exceeding available generating or transmitting capacity, or by drought, inevitable accident, or other unavoidable cause, whether of the same nature or not. 5

“(2A) No claim shall lie against the Crown, the Minister, or any Electrical Supply Authority where the General Manager or any officer or employee of the Department in accordance with powers granted by this Act or delegated to him has allocated, restricted, varied, prevented, or interrupted the supply of electricity.” 10 15

**6. Repeal**—Sections 306 to 310 and 327 of the Public Works Act 1928 are hereby repealed.