

ELECTRICITY AMENDMENT BILL

EXPLANATORY NOTE

THIS Bill amends the Electricity Act 1968.

Clause 1 relates to the Short Title.

Clause 2 provides that the Chairman of the Rural Electrical Reticulation Council is to be the Deputy Secretary of Energy, Electricity Division, instead of the Secretary of Energy.

Clause 3 provides that, in the case of the incapacity of the Deputy Secretary of Energy, Electricity Division, the person for the time being carrying out his duties is to be the Chairman of the Rural Electrical Reticulation Council.

Clause 4 amends section 43 of the principal Act to provide that the levy paid to the Rural Reticulation Fund is not to be levied on that portion of the gross revenue of an Electrical Supply Authority (other than the Crown) which represents sales of electricity in bulk for resale by the purchaser.

Clause 5: At present the subsidy payable to Electrical Supply Authorities is based on the construction, maintenance, and electricity costs of supply to consumers in sparsely populated areas. The new formula set out in this clause relates the subsidy to the capital cost of the lines.

The subsidy payable to Electrical Supply Authorities in relation to the capital cost of supplying customers who are not linked to the main transmission system has been modified to a similar formula.

Hon. Mr Birch

ELECTRICITY AMENDMENT

ANALYSIS

Title 1. Short Title	2. Rural Electrical Reticulation Council 3. Deputies of members 4. Levy 5. Subsidies
-------------------------	---

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,
5 as follows:

1. Short Title—This Act may be cited as the Electricity Amendment Act 1980, and shall be read together with and deemed part of the Electricity Act 1968* (hereinafter referred to as the principal Act).

10 **2. Rural Electrical Reticulation Council**—(1) Section 35 (2) of the principal Act is hereby amended by repealing paragraph (a) (as substituted by section 18 (1) of the Ministry of Energy Act 1977), and substituting the following paragraph:

*1968, No. 125

Amendments: 1969, No. 45; 1972, No. 55; 1974, No. 132; 1975, No. 72; 1976, No. 38; 1976, No. 163; 1977, No. 33; 1977, No. 65

“(a) The Deputy Secretary of Energy, Electricity Division, who shall be Chairman of the Council:”.

(2) The Ministry of Energy Act 1977 is hereby consequentially amended by repealing so much of Part II of the Second Schedule as relates to section 35 (2) (a) of the principal Act. 5

3. Deputies of members—Section 37 of the principal Act is hereby amended by inserting, after subsection (1), the following subsection:

“(1A) In the case of the incapacity of the Chairman, his deputy shall be the person for the time being carrying out the duties of the Deputy Secretary of Energy, Electricity Division.” 10

4. Levy—Section 43 (1) of the principal Act is hereby amended by adding the following proviso: 15

“Provided that for the purposes of this subsection the gross revenues of any Electrical Supply Authority (other than the Crown) shall not include revenue from the sales of electricity in bulk for resale by the purchaser.”

5. Subsidies—(1) Section 45 of the principal Act is hereby amended by repealing subsections (3) and (4), and substituting the following subsection: 20

“(3) Subject to the provisions of this section, any subsidy granted under this section shall not, in any financial year of an Electrical Supply Authority, exceed such percentage of the initial cost of the line as the Council may, with the approval of the Minister, from time to time determine, to be paid annually for a maximum period of 10 years: 25

“Provided that the Council may, if it thinks fit, pay the subsidy as a commuted lump sum or may at any time commute any unpaid annual payments to a lump sum.” 30

(2) Section 45 of the principal Act is hereby further amended by omitting from subsection (5A) (as inserted by section 4 (2) of the Electricity Amendment Act 1969) the words “such annual sum as the Council may in its discretion think fit”, and substituting the words “such annual payments and for such period as the Council may, with the approval of the Minister, determine”. 35

(3) Section 45 of the principal Act is hereby further amended by repealing the proviso to the said subsection (5A) (which proviso was substituted by section 2 of the Electricity Amendment Act 1972), and substituting the following
5 proviso:

“Provided that the Council may, if it thinks fit, pay the subsidy as a commuted lump sum or may at any time commute any unpaid annual payments to a lump sum.”

(4) The Electricity Amendment Act 1972 is hereby conse-
10 quentially repealed.