

Mr Burdon

**ELECTRICITY (SOUTH ISLAND CONCESSION)
AMENDMENT (NO. 2)**

ANALYSIS

1. Short Title	2. Calculation of prices for supply of electricity by Ministry
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A BILL INTITULED

An Act to restore the 25 percent electricity price concession for South Island industry, to maintain the 10 percent differential between North Island and South Island tariffs for all consumers, and to require the cost of the industry concession to be financed through the Vote: Regional Development

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 (South Island Concession) Amendment Act (No. 2) 1985, and shall be read together with and deemed part of the Electricity Act 1968 (hereinafter referred to as the principal Act).

2. Calculation of prices for supply of electricity by Ministry—(1) Section 34 of the principal Act is hereby amended by inserting, after subsection (3), the following subsections:

“(3A) Notwithstanding the provisions of subsection (1) of this section, the prices charged by the Minister for electricity supplied and sold to an Electrical Supply Authority situated in the South Island—

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“(a) Shall in no case exceed 90 percent of the equivalent prices charged to Electrical Supply Authorities situated in the North Island; and

“(b) May be further reduced by the Minister from the prices charged under **paragraph (a)** of this subsection where the Minister is satisfied of the existence of the criteria set out in paragraphs (a) to (c) of subsection (4) of this section. 5

“(3B) There shall be a further price concession to be known as the South Island electricity concession scheme, which shall provide, as against the North Island bulk electricity tariff, a 25 percent electricity price concession to Electrical Supply Authorities situated in the South Island in respect of electricity that the Minister of Trade and Industry is satisfied will be resold for use in manufacturing industries, tourist accommodation facilities offering 5 bedrooms or more, on-farm irrigation, and electricity-intensive agricultural activities carried out under artificial environmental control. 10 15

“(3C) The South Island electricity concession scheme provided for under **subsection (3B)** of this section shall be administered by the Department of Trade and Industry and funded through the Vote: Regional Development.” 20

(2) Section 34 (5) of the principal Act is hereby amended by omitting the expression “subsection (4)”, and substituting the expression “subsections (3A) and (4)”. 25