

STATE SUPPLY OF ELECTRICAL ENERGY AMENDMENT BILL

EXPLANATORY NOTE

Clause 2 postpones the commencement of section 3A of the principal Act. That section, inserted in 1957, prescribes a formula for calculating prices to be charged by the Minister in respect of the supply and sale by him of electrical energy to supply authorities. In effect it provides that charges shall be so calculated as to produce 25 per cent more than the estimated charges and expenses incurred by the Minister in the management, operation, and maintenance of all electrical supply schemes. Provision was made for the section to operate from 1 April 1958.

The postponement will be until 1 April 1959 unless the Governor-General in Council decides before that date to bring the section into operation on another date which may not be later than 1 October 1959.

Clause 3 fixes charges to be made by the Minister in respect of the supply and sale of electrical energy to supply authorities for the period commencing with 1 April 1958 and ending with the commencement of section 3A of the principal Act.

The charge will be £4 5s. a quarter for each kilowatt of maximum combined demand reducible to £4 a quarter in each case where the supply authority satisfies the Minister that it has fixed its charges in such a way as to pass on the whole of the reduction to its domestic consumers and any other supply authorities to which it supplies electrical energy in bulk for resale to domestic consumers.

Provision is made in *clause 3 (2)* for agreements between the Minister and supply authorities where special circumstances require a variation of the conditions proposed by the Bill.

Except as provided by the Bill or in any agreement entered into under the Bill, the terms and conditions relating to the supply and sale of electrical energy by the Minister to supply authorities shall be the same as those which applied immediately before 1 April 1958.

Hon. Mr Watt

**STATE SUPPLY OF ELECTRICAL ENERGY
AMENDMENT**

ANALYSIS

Title
1. Short Title

2. Postponement of provisions relating
to supply of electrical energy by
State
3. Charges for electrical energy supplied
by State

A BILL INTITULED

**An Act to amend the State Supply of Electrical Energy
Act 1917**

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

1. **Short Title**—This Act may be cited as the State Supply
of Electrical Energy Amendment Act 1958, and shall be read
together with and deemed part of the State Supply of Elec-
10 trical Energy Act 1917 (hereinafter referred to as the princi-
pal Act).

2. **Postponement of provisions relating to supply of electrical
energy by State**—Notwithstanding the provisions of subsec-
tion two of section one of the State Supply of Electrical Energy
15 Amendment Act 1957, section three A of the principal Act (as
inserted by section two of the State Supply of Electrical Energy

2 *State Supply of Electrical Energy Amendment*

Amendment Act 1957) shall be deemed not to have come into force on the first day of April, nineteen hundred and fifty-eight, but shall come into force on the first day of April, nineteen hundred and fifty-nine:

Provided that the Governor-General may, at any time before the first day of April, nineteen hundred and fifty-nine, by Order in Council, provide that the said section three A shall come into force on such other date, being not later than the first day of October, nineteen hundred and fifty-nine, as he appoints in that behalf, and the said section three A shall come into force on the date prescribed in that behalf in the Order. 5
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3. Charges for electrical energy supplied by State—(1) Subject to the provisions of this section, for the period commencing with the first day of April, nineteen hundred and fifty-eight, and ending with the day immediately preceding the date of the commencement, in accordance with section two of this Act, of section three A of the principal Act, the following provisions shall apply with respect to electrical energy supplied and sold to supply authorities pursuant to section three of the principal Act and section three hundred and eleven of the Public Works Act 1928: 15
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(a) The price charged for electrical energy supplied and sold to any such supply authority shall be four pounds five shillings a quarter for each kilowatt of maximum combined demand, reducible in accordance with paragraph (b) of this subsection: 25

(b) Where any such supply authority supplies electrical energy to domestic consumers, the price charged under paragraph (a) of this subsection shall be reduced to four pounds a quarter for each kilowatt of maximum combined demand in each case where the supply authority concerned satisfies the Minister that the rates of charges by the supply authority to its domestic consumers and to any other supply authorities to which it supplies electrical energy in bulk for resale to domestic consumers (whether or not other consumers are also supplied) have been so fixed as to ensure that the total amount of the reduction provided for by this paragraph will be passed on to those domestic consumers and other supply authorities: 30
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(c) Except as otherwise provided by this section or as otherwise agreed under subsection two of this section, the terms and conditions relating to the supply and sale of electrical energy by the Minister as aforesaid to any supply authority shall be the same as the terms and conditions which applied to that authority immediately before the first day of April, nineteen hundred and fifty-eight:

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10 Provided that any such term or condition relating to the adjustment of the price payable or relating to any rebate to be granted or surcharge to be levied shall not apply to the supply and sale of electrical energy by the Minister as aforesaid.

(2) Notwithstanding the provisions of subsection one of
15 this section, the Minister may enter into an agreement with any supply authority providing for such special circumstances as, in the opinion of the Minister, require a variation of or an addition to the provisions of this section and, where any such agreement is entered into, the provisions of subsection one of
20 this section, so far as they are inconsistent with the provisions of the agreement, shall have no application to the supply authority.

(3) Where, before the commencement of this section, the
25 Minister has entered into an agreement with a supply authority for the supply and sale of electrical energy, the agreement, if it is still in force and contains terms and conditions inconsistent with the provisions of subsection one of this section, shall be deemed to have been entered into under subsection two of this section.