

ELECTRIC-POWER BOARDS.

A large amount of work in connection with the formation of Power Boards has been done during the year, although the total number finally constituted has only increased by four. Quite a number of other districts have, however, taken steps to form Power Boards and have circulated petitions, so that this number will be considerably increased during the next twelve months.

Nine of the Power Boards at present constituted have already laid out reticulation systems and submitted loan proposals to the ratepayers. The loan proposals authorized amount to £2,950,000, equivalent to £21·6 per head of population concerned and to 6·7 per cent. of the unimproved rateable value of the districts included.

It is becoming generally recognized throughout the country that the distribution of power by means of Boards specially set up for the purpose will result in the actual consumer obtaining his power-supply on the best possible terms. Whilst it is recognized that the system adopted in Christchurch in connection with the Lake Coleridge scheme, under which supply is given by the Department to individual local authorities, has been very highly successful, and was necessary while the electric-supply business was growing and on its trial, it is now felt that better results can be obtained by deputing the whole of the business of distribution and supply in a district to one body whose special business it will be to see that the power is made available to all on the very best terms possible. With the policy of the Department supplying in bulk to a number of smaller local authorities it has been found that in many cases both the Department and the local authorities have to carry staffs and equipment to deal with this branch of the business, and that there is apt to be overlapping and duplication. It has also been felt that some of the local distributing authorities are too small, and that in consequence they have been unable to provide the special staff required to efficiently manage their electric-supply business, or, alternatively, that the staff and overhead expenses bear an excessive relation to power distributed.

My natural inclination is to let local authorities manage their own affairs; but after a very careful investigation of the proposals put forward by my expert officers, which are designed at every point to work in with the development of the most economical schemes in the interest of the country as a whole, and pay due regard to community of interest, I am convinced that it is necessary for the Government to insist on the formation of Electric-power Boards, in conformity with the scheme prepared by the Department, and not those dictated by immediate local interest vitiated to a considerable extent by existing licenses. The case is definitely one where, for the eventual good of the whole community, town and country must assist one another to finance the undertaking and to secure what is the secret of financial success in any electrical undertaking—namely, diversity of load, and distribution over as wide a load as possible of the costs of operating and management.

In the reports attached to the Public Works Statement of 1920 the Department laid down as a basis what it was considered should be the districts to be administered, in the matter of distribution of electric supply, by the various electric-power Boards constituted or to be constituted.

It is essential, for the final and best success of the Power Board's scheme, that the primary matter of development of electric power, and the secondary matter of its distribution, should be considered and dealt with in its initial stages not from the point of view of immediate or local circumstances, but from the point of view of ensuring that final development and organization will be on the lines to secure to the Dominion as a whole the most economical and successful means of development of power and its distribution. The great objective is the development and distribution of electric power to the consumers at the cheapest possible rate. The only possible way to achieve that end is to plan from the beginning the eventual scheme of development, and to eliminate the minor considerations and influences dictated by circumstances of temporary expedient and local influence.

Prior to the coming into operation of the Electric-power Boards Act, in the matter of development of electric power and its reticulation and supply to the people (apart, in the matter of development, from the Coleridge scheme, which was largely educational), the organization of existing local authorities had to be utilized.

An existing local authority, other than an electric-power Board, has many interests, only one of which may be the distribution of electric power. Because hydro-electric power and light, unless in most exceptional circumstances, are so much cheaper than any other form of development, the public pays, without cavil, the price demanded by the distributing authority. The perfectly natural tendency of such a distributing local authority is to make all the profit it can out of such a