

42. That is per electric horse-power?—Yes. The application of this is that in a concentrated area of supply the service will be at a lower rate per electric horse-power than in a scattered district, and that it is manifestly of importance that at the start of such an enterprise in this colony the initial reticulation be allowed to enter into the concentrated area—Dunedin in this case. It was the sole object of the Bay Counties Power Company in putting in a line 144 miles long to get into a concentrated area—namely, Oakland and San Francisco.

43. Then, I take it shortly that if it is a sparsely settled district the capital cost to the company is enormously greater per horse-power than in a thickly settled district?—That is the consequence.

44. And the per-annum rate varies from 5s. per horse-power to £10?—Yes, I could imagine cases where it could be—in the case of reticulation—as low as 5s. or as high as £10.

45. *Mr. Herries.*] That is the annual cost, not the charge?—Yes.

46. *The Chairman.*] That would depend upon the three factors you mentioned?—Yes.

47. *Mr. Foulds.*] Can you describe here the state of conditions that would produce the different extremes?—Yes. For instance, if we should distribute into a man's premises, our distribution-cost would be simply the interest and depreciation on our town transformers. In the other extreme, if we had to furnish the transformers and the lines run for a great distance for a small power, the cost would be greater. Suppose the case of a little milk-separator over in the Taieri Mouth: if we should run our main line there to supply 10-horse power for a few hours a day the capital cost would be relatively greater, and hence the rate would be very high.

48. *Dr. Findlay.*] I understand that, taking Dunedin proper and the manufactories in Dunedin proper, you think the company could supply its power at half the most economical form of steam?—That is my expectation.

49. Some questions were very rightly asked as to the intentions of this company in regard to carrying on its own work or selling out to any one else. What engagement have you got with the company?—A three years' contract, of which only two months have expired.

50. You were with the company six months earlier, I believe?—Yes, before the contract was made.

51. Have you prepared plans for the transmission?—Yes.

52. Have you prepared plans with the view of the present company carrying out fully its undertaking?—I have.

53. *Mr. MacGregor.*] Do these plans include the dam-sites you were speaking of?—Do you mean drawn plans on paper?

54. Have you prepared plans of the cost of the dam-sites by which you intend to store this 2,000-horse power?—I have.

55. And what is to be the cost of those dams?—Somewhere about £5,000 or £6,000.

56. *Dr. Findlay.*] With regard to the Lee Stream, we have been told that the Corporation propose to get 2,000-horse power by forty heads of water?—Yes.

57. Does the Lee Stream scheme include a provision for storage?—From Mr. Hay's statement I should say it did.

58. How much?—Storage of twenty heads.

59. The Lee Stream scheme does involve a provision for storage?—Yes.

60. *Mr. MacGregor.*] And you understand from Mr. Hay that that provision for storage is limited to the production of five heads of water by storage on sixty days each year?—How many hours a day?

61. Sixteen hours a day. Five heads involve a storage for sixty days per annum of sixteen hours a day. Now, to come back to your dam, have you acquired any land on which to build this dam?—I have stated before that we have not.

62. Is it not a fact that the particular place which you require to store your water at is now owned by a dredging company?—No; there is one particular site below the Enfield dredge.

63. At any rate, you would have to make arrangements with the owners of the land before you could put a pick into it?—Mr. Cotton owns the land, and we have an arrangement with him already.

64. He is one of your directors?—Yes.

65. This additional 2,000-horse power is no part of the scheme as now projected, is it?—The real portion of the thing that is projected and contracted for is the first 2,000-horse power. After that comes the 2,000-horse power, which is still not included in the storage proposition.

66. And then after that is exhausted comes the third proposition of 2,000-horse power, which must be obtained for storage?—Yes.

67. Take the same conditions as Mr. Hay suggested with regard to storage: assume that you have to store sixty days per annum at sixteen hours a day in order to produce this forty head of water, can you tell the Committee how many gallons you would require to store?—What portion of the day would you be called upon to use this additional or storage portion of the 2,000?

68. My question is this: Assuming the same conditions that Mr. Hay assumed in his evidence for the purpose of getting the five heads, what storage-accommodation would you require for the additional forty heads?—If our load-factor was such as required us to give—

69. But you must make that provision?—If we had people coming into a hotel eating for sixteen hours a day we should have to supply so-much food.

70. But you might have to supply it?—We might have, but it is against my experience.

71. Is it against your experience to publish the evidence you have published in your red book? There you give estimates for 6,000-horse power?—I do not remember that.

72. At page 15 of your book you give the following estimate: "£7 10s.—365 days of 24 hours = about one-fifth of id. per horse-power per hour."?—Where do I give the 6,000-horse power? We have some contracts for a small percentage of our load where we carry for twenty-four