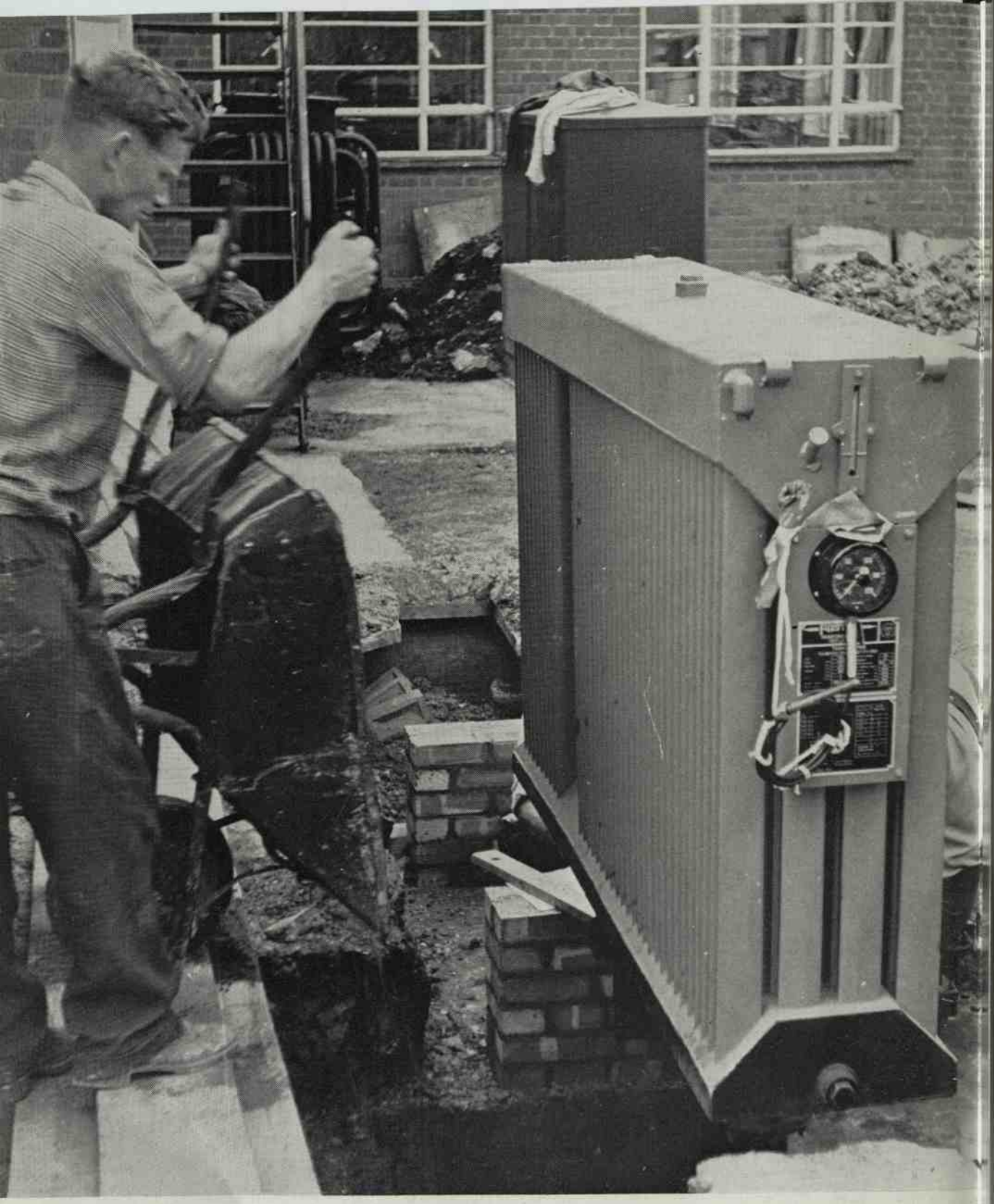
southern electricity PROGRESS REPORT 66-67



introduction

southern electricity, like every other electricity board, is required each year to report to the Minister of Power. This year's report, covering activities from April 1st 1966 to March 31st 1967, was published on October 3rd 1967. The main features have been summarized in the following pages.

The final paragraph of the report is as follows:—

"The Board wish to place on record their sincere appreciation of the work performed by employees of all grades during the year and of their co-operation in implementing the Board's policy".

5 years progress

The Financial objectives which the Board agreed with the Minister of Power required the Board to earn for the five-year period commencing on 1st April, 1962 an average gross return of 12.4 per cent per annum on the average net capital employed. Gross return is defined as the Balance of Revenue plus interest charged by the Electricity Council plus depreciation and capital receipts.

This five-year period came to an end on 31st March, 1967 and the following figures show how we have fared:—

Year	Average Nett Capital Employed £	Gross Return		
		Amount £	% for Year	% for Years to date
1962/63	85,882,059	12,607,883	14.7	14.7
1963/64	95,226,135	13,792,070	14.5	14.6
1964/65	105,800,804	11,881,509	11.2	13.3
1965/66	119,140,426	15,569,136	13.1	13.3
1966/67	132,912,872	12,702,582	9.6	12.35

Thus we have almost exactly achieved the target which was set us in spite of the many difficulties of the last year.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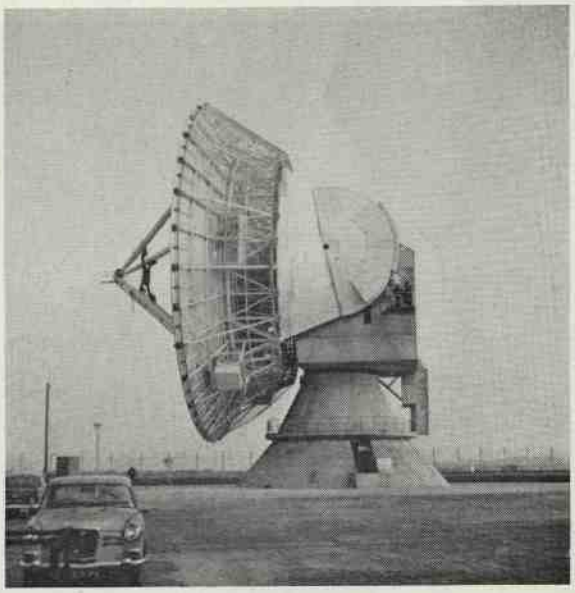


where the money came from and how it was spent in 1966-67

Income Amount £000			Per £1 s. d.
45,046	1	Sales of electricity: Domestic	8. 11
2,371	2	Farms	6
17,728	3	Commercial	3. 6
2,508	4	Combined domestic and commercial premises	6
31,178	5	Industrial	6. 2
854	6	Other	2
425	7	Profit on Contracting and Sales of appliances	1
324	8	Interest on H.P. and similar sales	1
402	9	Miscellaneous	1
100,836		Total Income	20. 0

Amounts to nearest penny

Expenditure Amount £000			Per £1 s.	d.
76,119	1	Purchase of electricity	15	1
10,904	2	Capital Charges (Depreciation and Interest)	2	2
4,955	3	Distribution	1	0
2,026	4	Consumer service		5
1,786	5	Meter reading, billing and collection		4
1,697	6	Administration, etc.		4
1,668	7	Rents, Rates and Insurances		4
1,681	8	Miscellaneous and balance of revenue		4
100,836		Total expenditure	20	0

buying and selling electricity

The main business of **southern electricity** is to buy electricity in bulk from the Central Electricity Generating Board and to sell it to our consumers in homes, shops, farms, businesses and communal services.

Five years ago we bought it for an average of 1.226d. per unit and sold it for an average of 1.693d. per unit. This year it cost us 1.436d. and we get 1.879d. for it. This means that the average cost to our customers over five years has increased by about 11 per cent.

This margin between the price at which it buys and sells electricity is applied to the cost of building and maintaining the systems and the other administrative work.

Five years ago the margin was 0.467d. per unit and now it is 0.443d. per unit.

unit sales

We have sold in the year just passed 12,729,181,000 units of electricity and this is 44.8 per cent more than we sold in 1961/62.

Five years ago the average domestic consumer used 2,970 units a year but now the figure is 3,820 which represents a rise of 29% over the period.

off peak

Five years ago our total off-peak sales were 155 million units but now they are well over five times as great at 836 million units. The load then was 195,000kW and now it is 919,000kW.

This development has made a big contribution to our load factor problems and to the relative stability in the average price of a unit of electricity when compared with other price rises over the last five years.

heating systems

Our success in selling off-peak electricity is due principally to our success over the last few years in developing a full range of thermal storage space heating adaptable for all kinds of dwellings.

Ten years ago we had still to establish a standard off-peak tariff and we had only one form of thermal storage heating to offer—floor-warming which was only really suitable for incorporating into new dwellings during the building operations.

It is only five years since we first started selling storage radiators for homes yet there are now over 200,000 of them installed in our territory. This appliance considerably widened the adaptability of electric thermal storage heating. It brought electricity into the space heating market for existing houses as well as providing an alternative method of equipping new houses. Perhaps its biggest boon is that it enables our consumers to adopt space heating by instalments. In the struggle for heating load the storage radiator will continue to play a big part in keeping electricity ahead of its competitors.

Our latest space heating system—Electricaire—is little more than two years old yet already more than 1,000 homes in our territory are equipped with this warm air system which can be built into new houses or installed in existing houses and has special advantages when incorporated in system built housing.

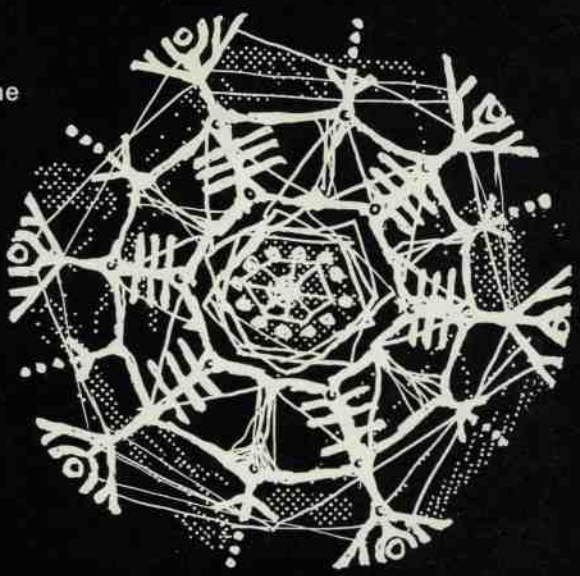
elite.

Less than five years ago the first Southern Electricity sponsored appliance appeared in our service centres. This was the Elite refrigerator made under contract by Lec. All the advantages of long run manufacture, bulk buying, direct selling plus saving on promotional advertising enabled the Elite refrigerator to be sold at a very low price. Its success was immediate.

There are now no less than ten Elite appliances available in our service centres all offering splendid value and all covered by a twelve months' guarantee.

The full list is as follows:-

Refrigerator
Storage Radiator
Twin Tub Washing Machine
Spin Dryer
Cabinet Dryer
Sink Water Heater
Infra Red Heater
Fan Heater
Electric Blanket
Electric Kettle



The next addition to
the Elite range
will be electric lamps.

engineering progress

During the last five years we have spent £92 million on system development and nearly £21 million was spent under this heading during the year under review. That is more than £12.15.0 for each of our consumers spent last year on plant and cables and on everything else that goes into creating maintaining and developing our system of supply.

This expenditure has brought the benefits of electricity to people and places who were beyond the range of our supplies five years ago and it has brought about an all round improvement in the reliability of supply.

Factors in the improved reliability of supply include:—

Extension of double circuit systems of overhead supply lines which enable consumers affected by breakdown to be given another supply.

Installation of voice frequency alarm systems in all major substations to avoid breakdowns caused by overloading.

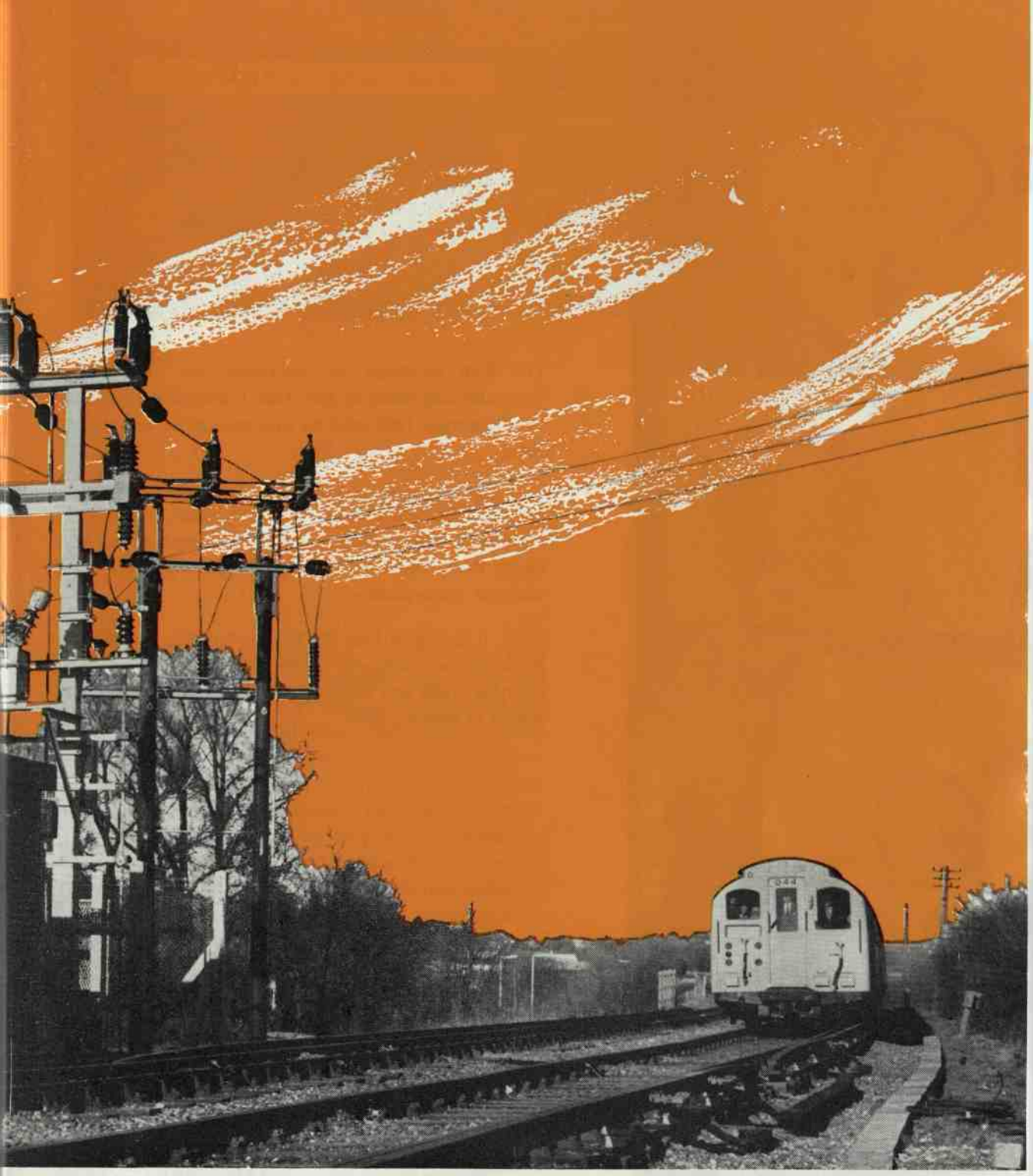
The provision of High Speed Auto-Reclosing facilities on rural 11kV lines.

The introduction of Arc Suppression Coils on 11kV. networks.

Extensions and developments of our radio mobile telephone system has helped to reduce the number and duration of breaks in the continuity of supply and the creation and extension of live line working, which has all taken place within the last five years, has meant fewer planned interruptions of supply.

The last five years has also seen many advances in efficiency and economy with respect to system development. The principal economy has been made by substituting aluminium and aluminium alloys for the expensive copper previously used in cables both overhead and underground.

These new materials have required new jointing techniques which are less costly than the traditional methods.



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