

*Mr Walsh*

**TAURANGA CITY COUNCIL AND TAURANGA  
ELECTRIC POWER BOARD EMPOWERING**

[LOCAL]

ANALYSIS

Title  
Preamble  
1. Short Title

2. Empowering  
3. Validation  
Schedule

---

A BILL INTITULED

**An Act to enable The Mayor, Councillors, and Citizens of the  
City of Tauranga and The Tauranga Electric Power Board  
to embark upon a joint scheme for the construction of  
5 electric works, generation of electrical energy, and the  
distribution of electrical energy**

WHEREAS by Order in Council made under the provisions  
of the Public Works Act 1928 bearing date the twentieth day  
of December, nineteen hundred and sixty-three, and published  
10 in the *Gazette* under date the sixth day of February, nineteen  
hundred and sixty-four, at page 141, as extended by sub-  
sequent Orders in Council dated the second day of September,  
nineteen hundred and sixty-four, and published in the *Gazette*  
under date the third day of September, nineteen hundred and  
15 sixty-four, at page 1397, and the first day of September,  
nineteen hundred and sixty-five, and published in the *Gazette*  
under date the ninth day of September, nineteen hundred and  
sixty-five, at page 1499 (the said Orders in Council being  
hereinafter referred to as "the said Orders in Council") The

No. 96—1

*Price 1s. 6d.*

2      *Tauranga City Council and Tauranga Electric  
Power Board Empowering*

Mayor, Councillors, and Citizens of the City of Tauranga (hereinafter called "the Council") and The Tauranga Electric Power Board (hereinafter called "the Board") were authorised to proceed with certain schemes to obstruct, impound, or divert the waters of the Mangapapa, Opuiaki, Mangakarengorengo, and Omanawa rivers, to raise or lower the level thereof, and to take and use therefrom water for the purposes of generating electrical energy, and also to lay, construct, put up, place, and use certain electric lines in connection therewith: 5  
And whereas in pursuance of the said Orders in Council the Council and the Board have reached agreement and are desirous, if the necessary authorising legislation can be obtained, of giving effect to the agreement in the form of the deed set out in the Schedule hereto: 10

BE IT THEREFORE ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows: 15

**1. Short Title**—This Act may be cited as the Tauranga City Council and Tauranga Electric Power Board Empowering Act 1965. 20

**2. Empowering**—Notwithstanding anything contained in any other enactment or any rule of law, the Council and the Board are hereby authorised and empowered to enter into the said deed, and to do or enter into all such acts, deeds, matters, and things as shall be necessary or requisite for giving full effect to the said Orders in Council and the said deed and the matters the subject thereof. 25

**3. Validation**—All acts, deeds, and things which the Council and the Board either jointly or severally have done or may do in pursuance of the said Orders in Council are hereby declared to be validly done and authorised. 30

---

SCHEDULE

PROPOSED DEED

This deed is made the \_\_\_\_\_ day of \_\_\_\_\_, one thousand nine hundred and sixty-five (1965) between The Mayor, Councillors, and Citizens of the City of Tauranga, a body corporate constituted under the Municipal Corporations Act 1954 (hereinafter called "the Council") of the one part and The Tauranga Electric Power Board, a body corporate constituted under the Electric Power Boards Act 1925 (hereinafter called "the Board") of the other part: Whereas by Order in Council dated the 20th day of December 1963 and published in the *New Zealand Gazette* under date the 6th day of February 1964, No. 6, page 141, as extended by Orders in Council dated the 2nd day of September 1964 and the first day of September 1965 and published in the *New Zealand Gazette* under dates the 3rd day of September 1964, No. 52, page 1397, and the ninth day of September 1965, No. 50, page 1499, respectively, the Council and the Board were jointly and severally granted a licence to obstruct, impound, or divert the waters of the Mangapapa, Opuiaki, Mangakarengorengo, and Omanawa rivers for the purposes and upon and subject to the terms and conditions therein set out (hereinafter together with any extensions or modifications thereof called "the Joint Licence") such licence continuing in force unless sooner lawfully determined until the 31st day of March 1985, and including therein the following terms and conditions namely:

10. The Licensees shall within 36 months of the issue of this licence produce to the Minister of Electricity evidence that an agreed scheme for the joint exploitation of the water resources referred to in this licence has been assented to by the Licensees.
11. The provisions of section 3 of the Public Works Amendment Act 1954 shall apply to the works authorised by this licence as though the duties and powers contained herein were in respect of different public works proposed to be executed on the same land by each of the Licensees.
12. Except as agreed in accordance with clause 10 hereof or as determined in accordance with clause 11 hereof the rights conferred and duties imposed by this licence shall be joint and several.

And whereas the Council is the owner of and by Orders in Council published in the *New Zealand Gazette* on the 18th day of September 1958, No. 57, page 1236, and of the 21st day of May 1959, No. 29, page 646, is licensed to operate the hydro-electric stations now existing at Omanawa Falls and at McLaren's Falls: And whereas the Council is the owner subject to the provisions hereinafter set out of certain lands buildings improvements and plant more particularly described in the First Schedule hereto: And whereas the parties hereto have agreed to undertake the exploration and investigation preliminary to, and if agreed to, exploitation of the Ruahihi and the Mangapapa hydro-electric generating works described in the Second Schedule of the said Order in Council (hereinafter collectively referred to as "the said scheme") upon and subject to the following terms and conditions: And whereas the parties hereto and their legal advisers are of the opinion that the statutory provisions at present available to them severally are inadequate or inappropriate to ensure the full implementation and operation by them

4      *Tauranga City Council and Tauranga Electric  
Power Board Empowering*

SCHEDULE—*continued*

jointly of the said scheme but both parties are anxious and willing to implement the direction and authority given to them by His Excellency the Governor-General in the said Orders in Council and therefore jointly desire to set out the basis upon which the said scheme may be exploited and in so far as may be necessary for the full implementation thereof agree to promote and to support special legislation to that end: Now therefore this deed witnesseth as follows:

1. **Joint Generation Committee**—The parties hereto shall forthwith establish a Committee to be called the Tauranga Joint Generation Committee (hereinafter called “the Committee”) which shall be constituted as follows:

(1) The Committee shall consist of eight (8) persons, four of whom shall be appointed by the Council from its members and four by the Board from its members and such appointments shall be made within one month after the date of the execution of these presents.

(2) **Appointment**—The members of the Committee shall be appointed after the first appointment within one month next after each triennial local body elections and the members shall continue in office until their successors are appointed provided that either party may at any time revoke the appointment of any of its members and appoint another member in his stead.

(3) **Resignation, etc. of members**—A member of the Committee may resign his office at any time by notice in writing addressed to the Secretary of the Committee and in that event or in the event of his death or in the event of his ceasing to be a member of the Council or the Board the vacancy thus occurring shall be filled forthwith by that party whose appointee had so resigned ceased to be a member or died. The person filling the vacancy thus occurring shall subject as aforesaid continue in office for the residue of the term of the person so ceasing to be a member.

(4) **Chairman**—At the first meeting of the Committee and at the first meeting of the Committee after every succeeding triennial local body elections the Committee shall elect one of its members to be Chairman of the Committee who shall hold office for one year, when a new election shall take place. At every meeting for the election of a Chairman the Secretary shall preside and in the case of an equality of votes the Chairman shall be determined by lot in such manner as the Secretary shall decide.

(5) **Voting**—(a) All questions before the Committee shall be determined by a majority of the votes cast but the Chairman shall not be entitled to exercise a casting vote and in the event of there being equality of votes on any question before the Committee that question shall forthwith be referred by the Secretary of the Committee to the Council and to the Board for negotiation and decision and in default of an agreed decision the question shall be referred to arbitration as hereinafter provided.

(b) The members present representing each party at a meeting of the Committee shall be entitled to exercise the full number of votes to which all the members appointed by such party would have been entitled whether or not they are all present.

(6) **Quorum**—No business shall be transacted by the Committee except at meetings at which there is a quorum which shall consist of not less than two members from each party.

SCHEDULE—*continued*

(7) **Substitutes**—In the event of any member of the Committee not being able to attend a meeting the Mayor or Town Clerk of the Council or the Chairman or Secretary of the Board respectively may by notice to the Secretary of the Committee appoint a substitute for such member from the members of the Council or the Board as the case may be and such substitute shall at the meetings at which he attends have all the rights and powers of a member of the Committee.

(8) **Secretaries**—(a) The Committee shall appoint a Secretary who shall record all minutes of decisions and proceedings of the Committee and such minutes and all correspondence and documents of the Committee shall be available for inspection at any time by any member of the Board and of the Council or by any officer of either party duly appointed for that purpose.

(b) If the Secretary be an officer of one party the other party shall be entitled to appoint a Joint Secretary who shall carry out jointly with the Secretary the duties herein provided except formal matters including notices of meetings, minutes, correspondence arising from minutes, and such other matters as may be delegated direct to the Secretary by the Committee.

(9) **Notices**—Notices of meetings of the Committee shall be sent to each member of the Committee not less than forty-eight (48) hours prior thereto and shall contain reasonable information as to the business to be transacted thereat. Members present may by unanimous decision consider any ordinary business introduced without notice. Each party shall have the right to have any of its executive staff present at all meetings except where they are excluded by resolution of the Committee.

(10) **Powers of Committee**—The Committee shall not have the power to take or acquire land, to hold licences to borrow money, or levy rates but such land and buildings lines and licences as may be requisite or expedient to be acquired and held shall be acquired and held by the parties hereto as tenants in common in equal shares and upon and subject to the purposes and conditions of these presents, but if the parties agree may be held by any party solely or in unequal shares.

(11) **Functions of Committee**—The parties hereto do hereby delegate to the Committee, save as herein specifically reserved, full power and authority to explore, investigate, and exploit the said scheme for generation of hydro-electricity and for that purpose to enter into contracts and engage such consultants, contractors, engineers, clerks, and servants as may be necessary or expedient, on such terms and at such remuneration as the Committee determines provided always and it is hereby expressly agreed and declared by and between the parties hereto that so far as practicable the staff, equipment, and offices of the parties or one of them shall be employed by the Committee in and about the said exploration, investigation, and exploitation of the said scheme upon such terms as to remuneration and otherwise as the Committee shall agree with such party or parties.

(12) **Control of generation of electricity**—The Committee is hereby empowered to control the generation of electricity and the loads of the parties hereto for their joint benefit and for that purpose shall appoint an officer who shall (if required by either party) be independently

6 *Tauranga City Council and Tauranga Electric  
Power Board Empowering*

SCHEDULE—*continued*

employed by the Committee and who under the Committee shall be responsible for the exercise of such controls.

(13) **Monthly reports**—The Committee shall make regular monthly reports to and submit copies of all minutes and regular reports on all business to each of the parties hereto and shall receive and consider all comments and recommendations made to it by either of the parties hereto.

(14) **Development of scheme**—Immediately upon its constitution the Committee shall take all necessary steps for the exploration, investigation, and exploitation of the said scheme and shall give priority to the development of the upper or Mangapapa Station and so as to preserve for as long as possible the full operation of the existing McLaren's Falls and Omanawa Stations.

(15) **Banking account**—The Committee shall open one or more bank accounts with a trading bank into which shall be paid all moneys received by the Committee and all payments shall be made by cheque or other negotiable instrument. The Committee shall from time to time authorise an officer or member of the Committee to endorse cheques or other negotiable instruments payable to the Committee and any two persons of whom at least one shall be a member of the Committee to sign cheques and withdrawals from the said accounts.

(16) **Accounts**—The accounts of the Committee shall be maintained as from time to time agreed by the parties with the approval of the Controller and Auditor General but subject to the following:

- (a) The items specified in clause 13 shall be charged to a Power Generation and Transmission Account.
- (b) All preliminary expenses costs of raising loans and interest on loan money raised prior to any station producing power or being taken over by the Committee shall be paid from loan money.
- (c) At the commencement of operation of each station by the Committee and in April each year an estimated total annual cost of generated and purchased electricity shall be made and accounts shall be rendered in accordance with the provisions of clause 9 (b) hereof.

**2. Interim operation by Council of McLaren's Falls Station**—(a) So far as may be practicable and until the completion of the lower or Ruahihi Station the Council shall be at liberty to continue to operate and maintain the McLaren's Falls Station at its own expense and for its own purposes.

(b) **Operation by Council of Omanawa Station**—When the normal output of Omanawa Station ceases or is reduced due to the activities of the parties hereto, the Council shall be entitled to a supply of electricity equal to the difference between the production of the Omanawa Station and the capacity of that station as stated hereunder from joint generation by the Committee on a unit basis at the actual annual cost of generation and transmission as defined in clause 13 hereof. For the purposes of this clause the capacity of Omanawa Station shall be deemed to be at the rate of 700 kilowatts of demand and 5.6 million kilowatt hours of electricity per annum. When clause 3 hereof operates

*Tauranga City Council and Tauranga Electric Power Board Empowering* 7

SCHEDULE—*continued*

this supply shall cease and merge with the supply of electricity provided in clause 3 hereof, viz., 3,500 kilowatts of demand and 22 million kilowatt hours of electricity per annum provided that the rate charged for electricity received by the Council pursuant to this clause shall not exceed the rate then current charged by the New Zealand Electricity Department to the Committee for electricity supplied and provided that if for any reason the water to be diverted from Omanawa River cannot be used at Mangapapa or Ruahihi the Council shall be at liberty to utilise such waters not so used through its Omanawa Falls Station.

**3. Council's right to preferential units—**(a) From the time when McLaren's Falls Station shall be acquired by the parties hereto, the Council shall be entitled to receive from the Committee at the actual cost of generation and transmission on a unit basis electricity amounting to 3,500 kilowatts of demand and 22 million kilowatt hours per annum for a period of twenty-one (21) years next after the said McLaren's Falls Station shall be acquired by the parties hereto provided that the rate charged for electricity received by the Council pursuant to this clause shall not exceed the rate then current charged by the New Zealand Electricity Department for electricity supplied. The actual cost of generation and transmission for the purposes of this clause shall comprise the charges set out in clause 13 (1) to (5) both inclusive hereof.

(b) From the expiration of the period of twenty-one (21) years defined in the preceding clause 3 (a) the Council shall be entitled to receive from the Committee at the actual cost of generation and transmission on a unit basis electricity amounting to not less than 3,500 kilowatts of demand and 22 million kilowatt hours per annum for a period of nineteen (19) years thereafter provided that the rate charged for electricity received by the Council pursuant to this clause shall not exceed the rate then current charged by the New Zealand Electricity Department for electricity supplied. The actual cost of generation and transmission for the purposes of this clause shall comprise the charges set out in clause 13 (1) to (5) both inclusive hereof.

**4. Distribution—**The generation of electricity beyond that required to supply the Council's entitlement under clauses 2 (b) and 3 (a) as hereinbefore set out shall be distributed between the parties to these presents in proportion to their several consumptions in their respective areas of supply as defined in clause 21 hereof save that for the period defined in clause 3 (b) hereof the Council shall be entitled to the minimum therein prescribed.

**5. Details of costs of scheme—**The Committee shall at all times keep the parties hereto fully informed of all details of the proposed works and cost thereof and the parties hereto agree that these costs together with preliminary expenses including all proper expenses already incurred by the Council and by the Board shall be raised by way of loan each of the parties accepting responsibility for one half share thereof.

**6. Withdrawal from scheme—**(1) Should one of the parties hereto (whether before or after receiving details of the cost of the proposed works) decide not to proceed with the further exploration of the said scheme it shall notify the other party to this effect and that other party

8 *Tauranga City Council and Tauranga Electric  
Power Board Empowering*

SCHEDULE—*continued*

shall be entitled to proceed with the said scheme as its own undertaking and the party so giving notification of its withdrawal shall give such consents do and perform all such acts deeds matters and things and execute all such documents as may be necessary or expedient for obtaining approvals and vesting the said scheme and any property involved therein and the relevant licence in the party so desiring to proceed with the said scheme.

(2) If neither party shall desire to proceed with the said scheme then in that event the preliminary costs of investigation shall be borne equally by the parties hereto.

(3) If only one party elects to proceed with the said scheme then the full preliminary and investigation expenses in respect of the said scheme shall be paid by that party.

(4) If the Council shall give notice of its desire to withdraw then it shall be entitled to continue pursuant to its aforesaid licences the operation of the Omanawa and McLaren's Falls Stations and the Board shall be at liberty to proceed with the said scheme authorised by the said joint licence and for such purpose it may use the waters of the Omanawa River and divert the same from above the Council's present Omanawa Station into McLaren's Lake provided that in so proceeding with the said scheme it shall not reduce the normal flow of water (inclusive of the waters of the Omanawa River) to the McLaren's Falls Station and provided further that such use and diversion of the Omanawa River shall not in respect of the generation of electricity render the Board liable to the Council for compensation or damages.

(5) No notification of withdrawal from the said scheme shall be valid without the consent of the other party after the first contract shall have been let by the Committee for any construction works on the said scheme other than access roads in connection with the said scheme, or other than any preliminary or experimental work authorised by the Committee.

**7. Charges on revenue**—The parties hereto agree that all service charges of loans including capital repayments and the costs of operation of the stations for the generation of electricity on the Mangapapa and Ruahihi Streams shall be a first charge on the revenue from the sale of the electricity generated by the said stations.

**8. Sale of Council's property**—The Council shall upon the date for payment hereinafter specified vest in the parties hereto as tenants in common in equal shares all the lands, buildings, improvements, and plant set out in the First Schedule hereto and the Committee shall out of loan moneys pay to the Council the sum of two hundred and one thousand nine hundred and forty-seven pounds (£201,947) being the agreed value of the said lands, buildings, improvements, and plant and such sum shall be paid in cash on the date on which electricity is available to both parties from both the Mangapapa and Ruahihi Stations or from the Ruahihi Station only in the event of that station being proceeded with alone by the Committee and thereupon the parties hereto shall be deemed to have taken over McLaren's Falls Station for their joint purposes in accordance with the provisions of this deed.



*Tauranga City Council and Tauranga Electric  
Power Board Empowering* 9

SCHEDULE—*continued*

Whereas the main arch dam and part of the power house building mentioned in the First Schedule hereto are erected on Crown land it is agreed by the parties hereto that the Council will forthwith take all steps which may be necessary or appropriate to vest the land on which the same are erected in the parties hereto in accordance with the foregoing provisions of this clause, provided that the parties agree to accept the best title available thereto.

**9. Sale price of electricity**—(a) For the purposes of calculating the price to be paid by the Council to the Committee for the balance of the electricity supplied by the Committee during the periods specified in clauses 2 (b) and 3 (a) over and above the preferential supply of electricity provided for in the said clauses 2 (b) and 3 (a) and the price to be paid by the Board for all electricity supplied by the Committee to the Board during the said periods the following provisions shall apply:

The total annual cost of generated and purchased electricity as defined in clause 13 hereof, after deducting therefrom the amount to be paid by the Council in terms of clauses 2 (b) and 3 (a) hereof during the period the Council is entitled to receive such supply, shall be apportioned between the parties proportionately to their notional respective accounts had all the electricity which each party received from the Committee, excluding in the case of the Council the quantity of its preferential supply of electricity provided for in clauses 2 (b) and 3 (a), been charged at the rate or rates payable by the Committee to the New Zealand Electricity Department then current provided that the notional accounts shall be computed at the time or times when the charge for such electricity is incurred by the Committee from the New Zealand Electricity Department and no regard will be taken of any maximum demand or other basis of charging recorded by any party that does not affect the amount payable by the Committee to the Department.

(b) The Committee shall render to each party accounts quarterly but there shall be if necessary an annual reconciliation and each party shall pay an assessed monthly sum on account of its quarterly dues.

(c) On the expiration of the preferential supply of electricity to the Council as provided for in clause 3 (a) hereof the cost of electricity shall be apportioned between the parties in the following manner:

The total cost of the generated and purchased electricity as defined in clause 13 hereof shall be apportioned between the parties proportionately to their notional respective accounts had all the electricity which each party received from the Committee been charged at the rate or rates payable by the Committee to the New Zealand Electricity Department then current provided that the notional accounts shall be computed at the time or times when the charge for such electricity is incurred by the Committee from the New Zealand Electricity Department and no regard will be taken of any maximum demand or other basis of charging recorded by any party that does not affect the amount payable by the Committee to the Department provided further that the apportionment of such cost payable by the Council shall allow credit for the rights of the Council pursuant to the provisions of clause 3 (b) hereof.

10 *Tauranga City Council and Tauranga Electric  
Power Board Empowering*

SCHEDULE—*continued*

(d) Electricity received by either party by way of feed-back or the installation of peak load reducing or other generation stations shall be taken into account only to the extent that such electricity would not adversely affect the other party's purchase cost of power pursuant to the provisions of this deed.

(e) If either party becomes dissatisfied with the method of charging set out in this clause, that party may require the Council and the Board to review this clause and in default of an agreed decision the question shall be referred to arbitration as hereinafter provided.

**10. Use of Council lands**—The lands described in the Second Schedule hereto are and shall remain the property of the Council but the Committee shall be entitled to use such parts thereof as it may reasonably require and on such terms and conditions as the Committee and Council may agree.

It is acknowledged that the spillway dam, channel footbridge, and intake structure with gates and screens and part of the pressure tunnel mentioned in the First Schedule hereto are erected on part of the lands described in the Second Schedule hereto and notwithstanding the foregoing provisions of this clause the Council shall permit the continued use of the same without the imposition of any terms or conditions.

**11. Compensation for damage to Council property**—In the event of any works of the Committee injuriously affecting interfering with or damaging property of the Council the Council shall be entitled to full compensation which shall be paid by the Committee and shall be deemed to be part of the total cost of generated and purchased electricity.

Without limiting the generality of the foregoing provision it is hereby agreed and declared that if the works of the Committee shall require the flushing out or desilting of the artificial lake above McLaren's Falls Dam the expenditure incurred in respect thereof and of all operations necessitated in respect of the lake arising out of the exercise by the Committee of its functions shall both as to capital and maintenance costs be borne by the Committee and form part of the total cost of generated and purchased electricity.

**12. Promotion of legislation**—(a) Both parties agree to take all such steps as may be necessary or desirable to promote the enactment of all legislation or other authorities which may be required to give full effect to and validate the provisions of this deed and the operations specified therein and to the confirmation of the privileges and authorities set out in the joint licence.

(b) Both parties further agree to promote and support such further Orders in Council or other Acts or authority as may be required by either or both of them for the full common implementation of the said scheme.

**13. Total cost of generation and transmission**—In these presents the term "total annual cost of generated and purchased electricity" shall be deemed to include the annual net cost of electricity purchased from or interchanged with the New Zealand Electricity Department by the Committee after allowance for any electricity sold to the New Zealand Electricity Department and the total annual cost of generation and

SCHEDULE—*continued*

transmission of electricity incurred by the Committee. The total annual cost of generation and transmission shall include:

- (a) Interest paid on loans.
- (b) Instalments of principal of loan money or sinking fund charges on the basis of repayment over a period of thirty (30) years, whether by sinking fund or equal aggregate yearly or half-yearly instalments of principal and interest as the case may be.
- (c) Depreciation. The Committee shall compute depreciation on all assets in accordance with the schedule of minimum rates approved by the Audit Office from time to time and the Committee shall deduct therefrom in accordance with the proviso to section 130 (3) of the Municipal Corporations Act 1954 instalments of principal and sinking fund charges in respect of loans spent on depreciable assets. The depreciation charge in excess of instalments of principal and sinking fund charges in respect of loans expended on depreciable assets shall be included as part of the total annual cost of generation and transmission.
- (d) Actual cost of operating, maintaining, and controlling the stations and transmission lines, including engineering charges incidental thereto, administration and all other costs expenses or other payments approved by the Committee and all sums deemed by virtue of any of the provisions of this deed to form part of the total cost of generated and purchased electricity.
- (e) In addition to the foregoing the Committee may include a sum not exceeding one per centum (1%) of the estimated expenditure listed above to provide for miscellaneous capital expenditure and other items.

14. **All electricity to be purchased by Committee**—That from the completion of the said scheme by the Committee all electricity required by each of the parties hereto for existing areas of supply as defined in clause 21 hereof, other than electricity received by either party pursuant to a feed-back arrangement with consumers who generate all or part of their own supply, shall, subject to the provisions of this deed, be purchased through the Committee.

15. **Further property**—In the event of the parties hereto requiring to take over any lands buildings improvements or plant of the Council other than those specified in the First Schedule hereto then subject to the approval of the Council such assets shall, after the Council ceases to operate the McLaren's Falls Station, be acquired and vested in the parties hereto as tenants in common in equal shares and shall be paid for out of loan moneys by the Committee at a fair valuation thereof and the cost of such assets shall be deemed to form part of the total cost of generated and purchased electricity.

It is agreed that pursuant to the foregoing provisions of this clause the parties shall acquire from the Council at a time to be agreed upon between the Council and the Committee the transmission lines of the Council running from McLaren's Falls Station to the substation of the New Zealand Electricity Department at Greerton such purchase to be paid for out of loan moneys.

12 *Tauranga City Council and Tauranga Electric  
Power Board Empowering*

SCHEDULE—*continued*

16. **Voltage**—(1) The Committee shall transmit the electricity generated at 50 kilovolts or such other voltage as may be agreed upon by the parties hereto from time to time to the New Zealand Electricity Department Greerton Substation or a suitable substation to be provided by the Committee so as to facilitate inter-connection between the New Zealand Electricity Department and the Committee and in any case these arrangements shall be made so that the Council and the Board each retain a direct supply line to the New Zealand Electricity Department for which they may continue to hold a licence.

(2) The Council and the Board shall each take electricity from the Committee at the aforesaid substation at 50 kilovolts or other agreed voltage.

(3) The Board shall continue to take supply from the New Zealand Electricity Department at Mount Maunganui and other substations and such electricity shall be included in the apportionment referred to in clause 9 hereof.

(4) Transformation from 50 kilovolts to another voltage shall be at the cost of the party concerned.

(5) **Meters**—(a) As between the parties hereto the quantity of electricity supplied by the Committee to either or both of the parties shall be registered by means of meters and indicators to be placed by the Committee at the points of supply. The parties shall have the right to instal check meters and indicators.

(b) The amount of electricity supplied by the Committee to each of the parties shall be that recorded by the Committee's precision grade meters or indicators provided that the quantities registered by the Committee and either or both of the parties' meters or indicators at any point of supply do not differ from each other by more than the following permitted differences:

- (i) The error shall not exceed one and one half times the range of error allowed for under the standard set out hereunder (hereinafter called "the prescribed standard"). The prescribed standard of error of a meter at the standard or marked temperature voltage and frequency shall not exceed the following values. Where a range of voltage is marked on the nameplate the requirements of this clause shall be satisfied at all the voltages within the range.

*A.C. Meters*

Conditions of Test Current Expressed as a Percentage of the Marked Current Per Cent	Power Factor	Limits of Error Plus or Minus Per Cent
125 to 20	1·0	0·5
At 10	1·0	1·0
At 5	1·0	1·5
125 to 20	0·5 lag	1·0
At 10	0·5 lag	2·0

SCHEDULE—*continued*

There shall be permissible a tolerance of 0.25 per cent for meters for permanent installations which may be applied in one direction only for all the above conditions of test, i.e., a plus tolerance or a minus tolerance but not both the overall range of error remaining unchanged.

When current transformers, voltage transformers, or shunts are employed with meters the error of the combination shall not exceed the values specified above. This condition must also be fulfilled should auxiliary apparatus be electrically connected.

- (ii) Should the quantities registered at any point of supply differ from each other by more than such permitted difference, both sets of meters or indicators shall be tested by a competent authority or person to be appointed by the Committee and this test shall be made in the presence of accredited representatives of the party or parties concerned and the Committee.

(c) Should this test or the test provided for in subclause (d) of this clause disclose that the recorded electricity registered by the Committee's meters or indicators over the range upon which the disputed charges are made departs from the current record by more than the limits of error allowed in the prescribed standard the amount of electricity to be paid for shall be computed on the actual reading of the Committee's meters or indicators prior to the test adjusted according to the error disclosed by the test over the range upon which the disputed charges for electricity are made. Any claim that may arise in respect of the inaccurate registering of any meter or indicator shall be limited to the quarter in which such claim is made and the immediately preceding quarter. The adjustments to the account of the party concerned shall be made by applying the correction applicable at the particular load or loads on which the charges are made.

(d) Each party shall have the right at any time to require that any or all of the sets of meters or indicators of the Committee be submitted to test.

(e) Should either of the two meters or indicators or sets of meters or indicators upon being submitted to test whether in pursuance of subparagraph (b) or subparagraph (d) of this subclause depart from the correct record by more than the limits of error allowed in the prescribed standard when tested over the range upon which the disputed charges have been based the expenses of testing such meters or indicators shall be borne by the Committee if the incorrect meter or indicator belongs to the Committee and in other instances by the party concerned but if neither or both of the meters or indicators depart from the correct record by more than the aforesaid limits of error when tested over this range then the cost of testing the meters and indicators shall be borne equally by the Committee and the party or parties concerned if the test is made in pursuance of subparagraph (b) of this subclause but if the test is made in pursuance of subparagraph (d) of this subclause then by the party or the Committee requiring the test as the case may be.

14 *Tauranga City Council and Tauranga Electric  
Power Board Empowering*

SCHEDULE—*continued*

(6) That the Board will give all consents and do all things reasonably necessary to facilitate the grant of a licence for and erection by the Council of its transmission lines along a route between the Substation at Greeton or any other Substation and the boundary of the City's area of supply which does not interfere unduly with the Boards' distribution system.

**17. Additional Generation**—(a) In the event that either party should desire to explore the possibility of additional generation of electricity for the benefit of the inhabitants of its district as from time to time constituted it shall consult with the other party for the purpose of ascertaining whether or not such additional generation can be made available for the benefit of the inhabitants of the districts of both parties and as to whether the parties could reach mutual agreement for the exploitation thereof.

If agreement is not reached and one party proceeds alone, the Committee shall take as much electricity as it may require in lieu of State power at a price to be agreed to by the parties hereto provided that if either party provides additional generation and the Committee does not take all or any part of such electricity that party may dispose of such electricity as it thinks fit but not so as to reduce its requirements from the Committee without the Committee's prior consent to a point whereby the requirements of both parties shall be less than the full utilisation of the said scheme.

(b) In the event of the parties failing to agree to a price then the price shall be determined by arbitration but in no case shall the price exceed the equivalent State price then current.

**18. Costs in event of abandonment**—In the event of the legislation or authorities referred to in clause 12 hereof not being enacted the parties shall bear equally between them all costs and expenditure incurred by either of them in exploration investigation and implementation of the said scheme.

**19. Arbitration**—All differences and disputes which shall arise between the parties hereto touching or concerning the premises or any act, deed, matter, or thing to be done, suffered or remitted in pursuance hereof or touching or concerning the construction of these presents shall be referred to arbitration in accordance with the provisions of the Arbitration Act 1908 or any amendment thereto or re-enactment thereof for the time being in force.

The arbitration shall be conducted by one arbitrator if the parties agree and if not then by two arbitrators one to be appointed by each party and the umpire (who shall not hold a Government appointment to any electrical body or be a public servant) appointed by such arbitrators immediately after they are themselves appointed.

**20. Territorial integrity**—Both parties enter into this agreement for the benefit of the consumers in their respective areas of supply and each undertakes to respect the territorial integrity of the other's area of supply by not seeking to enter for the purpose of electricity supply in or to take over such area or any part thereof and to refrain from advocating the same.

SCHEDULE—*continued*

21. **Areas of supply**—For the purposes of apportionment of the supply of electricity to the parties pursuant to this deed the basis of consumption shall be that occurring from time to time in their respective areas of supply as constituted at the date hereof and as may be hereafter amended by any minor boundary adjustments.

22. **Amendment**—The terms of this deed may be amended from time to time by agreement between the parties hereto.

23. **Marginal Notes**—The marginal notes to this deed shall be for purposes of reference only and shall not affect the interpretation thereof.

In witness whereof these presents have been executed the day and year first hereinbefore appearing.

FIRST SCHEDULE

1. Land—

Part Lot 3 on Deposited Plan Number 16766 (certificate of title, Volume 380, folio 235) containing eight acres two roods nine decimal eight perches (8a. 2r. 9·8p.) more or less .....	£ 1,600
Fences, gates, and water supply thereon .....	470
	£2,070

*Houses erected thereon*

	£
No. 1 House .....	2,150
No. 2 House .....	2,205
No. 3 House .....	2,735
No. 4 Bach .....	725
	£7,815

Allotment 610, certificate of title, Volume 857, folio 193 containing three acres one rood twelve perches (3a. 1r. 12ps.) more or less .....	£ 320
Add houses .....	2,390 7,815
Land, buildings, and improvements as above .....	£10,205

16 *Tauranga City Council and Tauranga Electric  
Power Board Empowering*

FIRST SCHEDULE—*continued*

2. Power Station buildings and plant—		£
(a) Mangakarengorengo River diversion .....	.....	11,287
(b) Main arch dam including— Diversion Tunnel Branch Drainage Tunnel and Stop Gate of timber in concrete setting .....		40,284
(c) Spillway dam, channel, and footbridge .....	.....	12,890
(d) Intake structure with gates and screens .....	.....	14,975
(e) Pressure tunnel .....	.....	17,185
(f) Power house building .....	.....	30,680
(g) Power station plant including— Breeches pipe and branch pipes, 2 main valves 66 inches diameter. 2 Vertical Turbines each 2100 BHP 375 revolutions per minute at 81 ft head 2 – 1750 KVA 3300 volt alternators 2 – Automatic oil pressure governors 1 – 50 KW turbine driven exciter 1 – 50 KW motor driven exciter 1 – 1350 KVA 33/33 KV transformer 1 – 1500 KVA 33/33 KV transformer 1 -- 150 KVA 3·3/11 KV transformer 2 – 1250 KVA 3·3/33,50 K transformer (spare) 6 – Truck type switch cubicles with instruments 2 – Switch panels with equipment 1 – Power operated travelling crane 3 – Air break switches mounted on structure .....		64,441
		<u>£191,742</u>
3. Summary—		£
Land, buildings, and improvements .....	.....	10,205
Power station, buildings, and plant .....	.....	191,742
		<u>£201,947</u>



SECOND SCHEDULE

Part Allotment 475, certificate of title, Volume 473, folio 86 containing three acres three roods (3a. 3r.), more or less, as shown on a scheme plan prepared by Messrs Goulding and Benham, Surveyors, Tauranga, on the 3rd day of December 1964.

Part Allotment 475, certificate of title, Volume 473, folio 86 containing sixteen acres three roods decimal nought five perches (16a. 3r. .05p.), more or less, shown as Lot 1 on Land Transfer Plan prepared by Messrs Goulding and Benham, Surveyors, Tauranga, and dated the 21st day of December 1964.

Part Allotment 483, 484, certificate of title, Volume 892, folio 50 and part Allotment 485, certificate of title, Volume 574, folio 73 and containing eighty-six acres fifteen perches (86a. 15p.), more or less, shown as Lot 2 on Land Transfer Plan prepared by Messrs Goulding and Benham, Surveyors, Tauranga, and dated the 21st day of December 1964.

Allotment 486, certificate of title, Volume 473, folio 86, Deposited Plan 21230 containing one hundred and thirty acres two roods (130a. 2r.), more or less.

Lot 2, Block V, Otanewainuku Survey District, certificate of title, Volume 476, folio 171 containing one acre three roods twenty-five perches more or less.

Lot 1, Deposited Plan 20323, Part Kaimai No. 1 Block, certificate of title, Volume 477, folio 93 containing ten acres two roods fifteen perches (10a. 2r. 15p.), more or less.

---

The Common Seal of The Mayor, Councillors, and Citizens of the City of Tauranga was hereto affixed pursuant to a resolution of Council by and in the presence of:

The Common Seal of The Tauranga Electric Power Board was hereto affixed pursuant to a resolution of the Board by and in the presence of: