

inspecting and testing, the licensee shall either not commence the supply or shall forthwith discontinue the supply of energy to the premises in question, giving immediate notice to the consumer of its reasons for not commencing or for discontinuing the supply, and in either case supply shall not be given until the licensee is reasonably satisfied that the installation is in conformity with the requirements of this license.

If any consumer is dissatisfied with the action of the licensee in refusing to give, or in discontinuing, or in not recommencing the supply of energy to his premises, the wires and fittings of that consumer may, on his application to the Minister, and on payment of the cost, be inspected and tested by the Inspecting Engineer.

43. From and after the time when the licensee commences to supply energy in pursuance of this license, it shall maintain continuously sufficient power for the use of all the consumers for the time being entitled to be supplied; provided also that, for any purposes connected with the efficient working of the undertaking, the Minister may give permission to the licensee to discontinue the supply at such intervals of time and for such periods as he, the Minister, may think expedient. When the supply is so discontinued public notice shall be given, when practicable, of such discontinuance and of the probable duration thereof.

44. Before proceeding to erect any electric lines herein authorized the licensee shall give a calendar month's notice in writing to the Resident Engineer of the Public Works Department at Whangarei, and to the Telegraph Engineer of the Post and Telegraph Department at Auckland of its intention so to do. Such notice shall be accompanied by a plan showing the location of the proposed electric lines.

45. The licensee shall not use the said electric lines, or permit the same to be used, for any purpose until the Minister has given to it notice in writing that he has received from the Inspecting Engineer a certificate that the works hereby authorized have been satisfactorily carried out.

46. The Minister may at any time order an inspection to be made of the works, lines, and wires of the licensee used for electric lighting and power purposes. If any defect is found to exist it must be remedied forthwith, and if such defect is, in the opinion of the Inspecting Engineer, serious the Minister may, on receipt of the report, direct the licensee to at once cease transmitting energy either over the whole of the licensee's lines and wires or over any specified part thereof until such defect is repaired or remedied. The cost of such inspection shall be borne by the licensee.

47. Nothing herein shall be held to constitute a lease from the Crown of the bed of the said stream, nor shall the provisions of Part IX of the Property Law Act, 1908, apply to this license.

48. This license, and the benefits and obligations hereunder, shall not be assigned by the licensee without the express consent in writing of the Governor in Council first had and obtained; but such consent shall not be withheld if it be proved to the satisfaction of the Governor that the transferee is financially able and suitable to carry out the works specified in this license.

49. (a.) If the licensee fails or neglects to forward to the Minister the drawings and specifications of the works within the time hereinbefore mentioned, or if the licensee fails or neglects to substantially commence the construction of the works hereinbefore described within the time hereinbefore limited in that behalf, and with businesslike speed to carry on the work of such construction; or

(b.) If the licensee fails or neglects to complete the said works within the time hereinbefore limited in that behalf; or

(c.) If the licensee fails or neglects to use and maintain the said works after completion thereof, so as to secure to the area of supply the full benefit of the undertaking; or

(d.) If the licensee fails to observe, perform, fulfil, or keep any of the requirements, conditions, and provisions of the Public Works Act, 1908, or its amendments to the full intent of the same, or of any part thereof; or

(e.) If the licensee shall fail to observe any of the conditions or obligations herein imposed upon the licensee, then in any such case it shall be lawful for the Governor, by Order Council, either to revoke this license or to impose upon the licensee a fine not exceeding £100 for every week or part of a week of such default, such fine to be recovered in any Court of competent jurisdiction by any person appointed by the Governor to recover same.

50. The powers of revocation or infliction of fines by this license vested in the Governor shall not be exercised unless and until the Governor has first caused to be given to the licensee, or left at its registered office, or placed upon some principal or conspicuous part of the works, a notice in writing of the intention to exercise the same, and of the specific breach or breaches in respect of which the aforesaid powers are intended to be exercised, and default has been made by the licensee (after the giving or leaving of such notice) in

repairing or remedying the breach complained of for the following spaces of time:—

(a.) For any breach of the conditions of this license which, in the opinion of the Governor, can be met by a fine, thirty days after the giving or leaving of such notice.

(b.) For any breach of the conditions of this license which, in the opinion of the Governor, is of such a nature as to require the revocation of this license, ninety days after the giving or leaving of such notice.

51. The Governor shall be the sole judge of the fact whether the requirements of this license have been complied with, and he may from time to time cause inquiry to be made into any matter connected therewith or arising hereunder in such manner as he thinks fit, and his decision shall be final; provided always that this clause shall not affect the rights of any person, corporate body, or local authority in cases of damage or injury for which an action by such person, corporate body, or local authority may lie against the licensee.

52. Nothing herein contained shall be deemed in any way to interfere with, affect, or abridge any rights or powers vested in His Majesty the King, or in the Governor on his behalf, or the Minister, or any other person under any Act of the General Assembly authorizing the construction, management, or working of any public works. Nor shall His Majesty, or the Governor, or the Minister, or any other person be liable to pay to the licensee any compensation for injury done to the works herein authorized by the construction, management, or working of any such public work as aforesaid, or for the loss occasioned thereby, or for the exercise of any such right or power as aforesaid.

53. This license shall be deemed to constitute a contract as between the licensee and His Majesty the King, and may be enforced as a contract by and against His said Majesty or the licensee accordingly.

#### FIRST SCHEDULE.

The area of supply referred to in the license shall comprise that part of the Auckland Provincial District bound on the north by an imaginary line between the Whangaruru Post-office and the Maunganui Bluff, and on the south by an imaginary line between the Mangamai Post-office and the Matakoho Post-office, extended in a direct line in both cases to the sea, and on the east and west by the coast-line, including Matakoho Island; as shown on the plan marked P.W.D. 33476, deposited in the office of the Minister of Public Works at Wellington.

#### SECOND SCHEDULE.

Memorandum of agreement dated this thirty-first day of March, one thousand nine hundred and thirteen, between Dominion Portland Cement Company (Limited), (hereinafter called "the company"), of the one part, and the Mayor, Councillors, and Burgesses of the Borough of Whangarei (hereinafter called "the borough," which expression shall include their successors and assigns where the context so admits) of the other part: Whereas the company has applied for a license under the Public Works Act, 1908, and its amendments to use water from the Wairua Falls for the generating of electrical power, and for the constructing and using electric lines in and over a district including, *inter alia*, the area mentioned in paragraph 6 hereof: And whereas the borough has requested the company to agree to supply it with electrical energy, and the company has agreed to supply such energy subject to the granting of such license upon the terms and conditions hereinafter contained: Now it is hereby agreed and declared as follows:—

1. The company shall with all due diligence proceed to obtain a license to use water from the Wairua Falls as aforesaid.

2. When the said license shall have been obtained by the company the company shall forthwith proceed to erect and instal such plant and machinery as shall be capable of generating electrical energy up to 1,500 horse-power from the natural flow of the said river.

3. Should the natural flow of the said river be incapable of generating electrical energy equal to 1,500 horse-power, then the company shall develop the maximum quantity of electrical energy reasonably capable of development from such natural flow.

4. The borough shall have the right of taking one-third of the electrical energy so generated, and when applying to the company to be supplied with electrical energy shall be bound to take at least 75 horse-power, 1 horse-power being equal to 746 watts.

5. In the event of the company from time to time increasing the installation after the first installation so as to produce further power, the borough shall have the option for two years from the date of any such decision to increase the power of taking 33 per cent. of the total power generated by