

the licensee to construct and maintain the various works authorized by this license.

8. DURATION OF LICENSE.

This license shall, unless sooner determined in accordance with the provisions hereinafter expressed, continue in force for a period of forty-two years from the date hereof. Upon the expiry of the said term, or upon the sooner determination of this license by revocation or otherwise, all rights hereby granted to the licensee or his assigns shall thereupon cease and determine; but such expiration or determination shall not relieve the licensee of any liability theretofore incurred under this license. Such surrender shall be without prejudice to any rights held by the licensee under the Mining Act, 1908, or any similar statute.

9. RENTAL

The licensee shall, in respect of this license, pay to the Public Works Engineer for the district, or otherwise as the Minister may from time to time require, a rental at the rate of 4s. per annum per kilowatt of maximum output, as recorded by the wattmeter to be installed by the licensee at the powerhouse mentioned in clause 3 (c) hereof, payment to be made yearly for the period ending on the 31st day of March in each year, commencing from the day electrical power is first supplied. "Maximum output" means twice the number of units generated in the half-hour during which the number of units generated is a maximum for the year. For this purpose the units generated shall be recorded at the end of each half-hour commencing from noon of each day.

No rental shall be paid for electrical energy generated under this license and supplied by the licensee to the Rimu Gold-dredging Company (Limited) for dredges operated by such company, and such electrical energy shall be separately metered and deducted from the above-mentioned maximum output.

10. GRANTING OF OTHER WATER-RIGHTS.

Nothing herein shall prevent the Governor-General in Council from granting to any person or body corporate other than the licensee a license to take water from any portion of the said lake, except at the place where the licensee is by this license empowered to take it; provided that no such license shall so operate as to reduce the natural fall between the headworks and tail-water, or the volume of the water which the licensee is by this license authorized to take from the said lake.

11. VARIATION IN CONDITIONS OF LICENSE.

The terms and conditions of this license may at any time or from time to time, if found necessary and if duly agreed upon between the licensee and the Governor-General in Council, be altered by the Governor-General by Order in Council, in which case particulars of such alteration or modification shall be endorsed upon this license and signed by the licensee and the Governor-General, whereupon all the terms and conditions in this license contained (save and except as they may have been so altered or modified by such alterations) shall, *mutatis mutandis*, apply to such alterations as if the latter had formed part of this license as originally issued.

12. SURRENDER OF LICENSE.

The licensee may at any time, with the consent of the Minister, surrender this license, and shall thereupon, if so required by the Minister, remove from the ground all removable equipment, machinery, buildings, poles, transmission-lines, and other plant herein authorized to be installed or provided. If the licensee fails or neglects so to remove the said plant within twelve months after being required so to do, such equipment, machinery, buildings, poles, lines, and other plant shall, without payment or compensation, vest in and become the property of the Crown.

13. CHARGES FOR ELECTRIC ENERGY.

The charges for electrical energy shall not exceed 1s. 3d. per unit for lighting purposes, and 6d. per unit for motor-power, heating, or cooking purposes; provided that if accounts be paid within fourteen days of due date the charges shall not exceed 1s. per unit for lighting and 4½d. per unit for motor-power, heating, or cooking; provided that "lighting purposes" shall include the operation of motor generators for lighting purposes. In the case of wholesale supply the charge shall not exceed £12 per horse-power per annum. "Wholesale supply" for this purpose shall be held to be a supply in respect to which the consumer shall guarantee to pay not less than £120 per annum:

Provided further that, in the event of a number not less than twenty-five per centum of the consumers at any time representing to the Minister that the licensee is charging for the supply of electrical energy a rate which is returning an excessive profit, after allowing for the creation of a reasonable reserve fund, the Minister shall have power to cause such inquiry and investigation of the licensee's books and accounts as he may deem necessary; and if, after such inquiry and investigation, he is of opinion that unreasonably high profits

are being made, having regard to all surrounding circumstances and conditions and to the nature of the undertaking, the Governor-General may, on the recommendation of the Minister, from time to time reduce or otherwise amend the rates permitted to be charged to consumers under this license.

14. AREA OF SUPPLY.

The area of supply comprises the Borough of Hokitika as at present constituted and the Westland Hospital premises, being Reserve 144, Block XIII, Waimea Survey District, Westland Land District.

15. SYSTEM OF SUPPLY.

The system of supply shall be as described in paragraphs (c) and (e) of clause 3 of the regulations.

The generating voltage shall be approximately 2,300 volts between the terminals, at a frequency of 60 cycles per second.

16. DATUM TEMPERATURE.

For the purposes of calculating stresses as provided in clause 15 of the regulations, the datum temperature shall be taken as 12 degrees Fahrenheit.

17. REQUIREMENTS OF THE HOKITIKA BOROUGH COUNCIL AND THE WESTLAND COUNTY COUNCIL.

Notwithstanding anything hereinbefore contained, the licensee shall not be entitled to erect, maintain, or use any electric lines within the Borough of Hokitika or the Westland County, except subject to such conditions, not inconsistent with the provisions of this license (or any variation of this license) and the regulations, as may from time to time be agreed upon between the licensee and the Hokitika Borough Council, or between the licensee and the Westland County Council.

18. EXPIRY OF LICENSE.—CROWN MAY TAKE OVER WORKS OR ALLOW LICENSEE TO REMOVE BUILDINGS, ETC.

Upon the expiration of the term of the license hereby granted, the following provisions shall apply:—

(a) His Majesty the King may take over and use the whole of the works hereby authorized, including all structures, buildings, equipment, machinery, plant, and land, hereinafter in this clause called the "works," on payment by him to the licensee of the then value of the works. The price to be paid under this clause shall be fixed in the same manner as the price in clause 19 of this license; or

(b) The Governor-General may, at his option, by Order in Council, grant to the licensee a new license for a further period of forty-two years, subject to such terms, conditions, and payment of rental as may then be imposed by him; or

(c) If His Majesty the King does not elect to take over the works under subclause (a), or the Governor-General declines to issue a further Order in Council under subclause (b) hereof, the licensee may, within such time and subject to such conditions as the Minister may then impose, remove all structures, buildings, equipment, machinery, and plant erected or installed by the licensee under the powers conferred by this license. If the licensee fails or neglects to effect such removal within the time or subject to the conditions imposed by the Minister, such structures, buildings, equipment, machinery, and plant shall, without payment of any compensation, vest in and become the property of His Majesty the King.

(d) No right is hereby conferred to take over works, structures, buildings, equipment, machinery, plant, or land used for mining purposes.

19. CROWN'S PRIOR RIGHT TO PURCHASE WORKS.

Notwithstanding anything hereinafter contained, the right is hereby reserved to His Majesty the King to purchase, at his option, at such price and on such conditions as may be mutually agreed upon (or, failing such mutual agreement, then by arbitration in the manner prescribed by the Arbitration Act, 1908), this license, in so far as this license is legally necessary under the Public Works Act, but not including the licensee's rights under the Mining Act or any Act passed in substitution therefor, together with the whole or any part of the business and undertaking of the licensee, so far as the same relates to or is connected with the exercise of this license, and together with all real and personal property and all rights acquired by the licensee under this license and used or enjoyed in connection therewith. The said right may be exercised by His Majesty the King at any time during the currency of this license, but the said price shall not exceed the original cost to the licensee of the works (including reasonable preliminary and engineering expenses), less a deduction for depreciation at the rate of 2 per cent. per annum on the original cost on all assets other than land calculated for the period that such assets have been in service, and also a deduction in consequence of any burdensome provisions respecting the use of the electric works or any easements, rights, or privileges in connection therewith, and shall not include any sum in respect of the value of the goodwill of the licensee's