

established by the licensees in connection with the license, whether within or beyond the area of supply, including in particular the purposes of quarrying or mining marble, limestone, and other minerals and the taking of supplies of timber for the purpose of any such business or undertaking and the establishment of hostels and accommodation-houses for the use of employees in such business or undertaking and visitors thereto.

9. DURATION OF LICENSE.

The first license and the second license respectively shall, unless sooner determined in accordance with the provisions hereinafter expressed, continue in force for a period of sixty years from the date hereof. Upon the expiry of the said term, or upon the sooner determination of this license by revocation or otherwise, but subject to clause 16 hereof, all rights hereby granted to the licensees shall thereupon cease and determine; but such expiration or determination shall not relieve the licensees of any liability theretofore incurred under this license.

10. RENTAL.

The licensees shall, as from and after the lapse of five years from the day on which electrical power other than power required by the licensees for constructional purposes is first supplied in pursuance 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 1s. per annum per kilowatt of maximum output, as recorded by the wattmeters to be installed by the licensees at each of the powerhouses mentioned in clause 4 (c) hereof; payment to be made yearly for the period ending on the 31st day of March in each year, commencing from five years after the day electrical power is first supplied as above mentioned. "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.

11. CHARGES FOR ELECTRICAL ENERGY.

The charge for electrical energy supplied at the licensees, power-house shall not exceed 1d. per unit.

12. AREA OF SUPPLY.

The area of supply comprises that portion of the Lake County indicated by a distinctive border coloured red on the plan marked P.W.D. 65121, deposited in the office of the Minister at Wellington, in the Land District of Wellington.

13. SYSTEM OF SUPPLY.

The system of supply shall be as approved by the Minister. The generating voltage shall be as approved by the Minister.

14. DATUM TEMPERATURE.

For the purposes of calculating stresses as provided in clause 32 of the regulations, the datum temperature shall be taken as 12 degrees Fahrenheit.

15. EXPIRY OF LICENSE.—CROWN MAY TAKE OVER WORKS OR ALLOW LICENSEES 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 licensees of the then value of the works. The price to be paid under this clause shall be fixed by mutual agreement or, failing that, by arbitration under the Arbitration Act, 1908; or

(b.) The Governor-General may, at his option, by Order in Council, grant to the licensees 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 licensees 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 licensees under the powers conferred by this license. If the licensees fail or neglect 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.

16. CROWN'S RIGHT TO PURCHASE WORKS.

Notwithstanding anything herein contained, the right is hereby reserved to His Majesty the King, at his option, at any time after the expiration of thirty years from the commencement of the period of this license, upon at least twelve calendar months previous notice in writing of such intention having been given to the licensees by any Government officer, to purchase at such price, and upon such terms and conditions as may be mutually agreed upon (or failing such mutual agreement, then as may be determined by arbitration in the manner prescribed by the Arbitration Act, 1908), this license, together with the whole of the business and undertaking of the licensees so far as the same relates to or is connected with the exercise of this license, and any manufacture carried on in connection therewith, and together with all real and personal property of the licensees then used in connection with the same, and all rights acquired by the licensees under this license and used or enjoyed in connection therewith. The said price, if determined by arbitration, shall be based upon the actual value of the assets at the time of the exercise of the option, but shall not include any sum in respect of the value of the goodwill of the licensees' business or undertaking or in respect of the value of the license in respect of the unexpired period thereof, or in respect of the value of any Crown land held or occupied by the licensees in connection with the undertaking. On the completion of this purchase His Majesty the King shall be deemed to be the assignee of this license, and all the rights vested in the licensees by the license shall thereupon vest in His Majesty the King.

17. COMPENSATION PAYABLE FOR LAND INJURIOUSLY AFFECTED, ETC.

In respect of all land injuriously affected, and in respect of all damages done by the exercise of any of the powers conferred upon the licensees by this license, the licensees shall from time to time, as and when any such injury or damage accrues or happens, pay compensation in accordance with the provisions of the Public Works Act, 1908, in the same manner (subject to all necessary modifications) as if such licensees were a local authority and the claim was one for injury or damage arising out of the construction of a public work.

18. CROWN NOT LIABLE TO PAY COMPENSATION.

Nothing in this license shall be held to cast upon or imply any liability upon His Majesty the King or upon the Government of New Zealand to pay compensation to any person, corporate body, or local authority by reason of the exercise by the licensees of the authority hereby granted; but the licensees shall be liable for any loss or damage which any person, corporate body, or local authority may sustain as the result of the exercise by the licensees of any of the powers granted by this license.

19. CONSUMERS ENTITLED TO SUPPLY.

The licensees shall supply and sell to any person, company, or corporate body within the area of supply requiring the same, for any purpose within that area, electricity to the extent to which it may be available and not required in connection with any business or undertaking carried on by the licensees; provided that such person, company, or corporate body pays the cost of connecting his or its premises with the power-house erected by the licensees in pursuance of this license.

20. INTERCHANGE OF SUPPLY OF ELECTRICAL ENERGY.

(a.) In the event of the Minister establishing a hydro-electric power scheme outside the area of supply of a frequency of 50 cycles per second on the three-phase alternating-current system, he may require the licensees to connect that system with the licensees' electrical system in such a manner that an interchange of electrical energy between the two systems may be made from time to time and when required by either the licensees or the Minister, up to at least one-half of the total capacity of the plant installed at the licensees' power-house.

(b.) The licensees shall erect and maintain in good order, at the expense of the licensees, the necessary transmission-lines between the licensees' power-house and a point on the boundary of the area of supply to be determined by the Minister, such point being not more than half a mile from some transmission-line of the licensees.

(c.) The Minister shall erect and maintain in good order, at the expense of the Minister, the necessary transmission-lines outside the area of supply for the purpose of connecting the two systems at the point last mentioned in subclause (b) hereof.