

7. DURATION OF LICENSE.

This license shall, unless sooner determined in accordance with the provisions hereinafter expressed, continue in force for a period of thirty years from the date hereof.

8. RENTAL.

On the 14th day of April following the day on which electrical energy is first supplied from the plant by this license authorized to be constructed, and on the corresponding day in each subsequent year, the licensee shall in respect of this license pay to the District Engineer of the Public Works Department at Dunedin, or otherwise as the Minister may from time to time require, a rental of an amount varying in proportion to the number of kilowatts in the half-hourly maximum demand during the year ending on the preceding 31st day of March.

The rate for each kilowatt of the maximum demand per annum shall be as follows: So long as the maximum demand is less than 475 kilowatts the rate shall be one shilling. As soon as the maximum demand is 475 kilowatts or more the rate shall be two shillings and sixpence, and no increase beyond this figure shall take effect within ten years from the date of commencement of supply from the generating station hereby authorized. After the expiration of such period of ten years the rate shall be (a) one shilling, (b) two shillings and sixpence, (c) seven shillings and sixpence, (d) twelve shillings and sixpence, (e) seventeen shillings and sixpence, or (f) one pound, according to whether such maximum demand is (a) less than 475 kilowatts, (b) 475 kilowatts or more but less than 500 kilowatts, (c) 500 kilowatts or more but less than 550 kilowatts, (d) 550 kilowatts or more but less than 600 kilowatts, (e) 600 kilowatts or more but less than 650 kilowatts, (f) 650 kilowatts or more.

The minimum rental shall be £10 per annum.

In computing the amount of rental payable the maximum demand shall not include electrical energy supplied to the Minister under clause 17 hereof. A watt-hour meter reading shall be recorded half-hourly throughout each day. If the station is unattended during the day a watt-hour meter with an approved maximum-demand indicator shall be provided by the licensee.

9. 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 river 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 enable such person or body corporate 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 river.

10. GENERATING AND TRANSMITTING VOLTAGE.

The generating voltage shall be approximately 3,300 or 6,600 volts between phases, and this shall be transformed to 33,000 or to 11,000 volts for transmission.

11. RIGHT TO ENTER LANDS, ETC.

The licensee shall have the right at any time or times during the continuance of this license, with the consent of the Minister, given subject to such conditions as he may think fit to impose, to enter upon any road or other land, whether vested in or occupied by the Crown or any other person or body corporate, and there to construct, erect, lay down, maintain, renew, or repair all such cables, wires, and other things as are required for the transmission of electricity between the power-house hereinbefore referred to and any place to which the licensee is authorized to transmit electricity in pursuance of this license.

12. CONVERSION OF LINES FROM EARTH-WORKING TO METALLIC.

Notwithstanding anything herein contained the licensee shall bear the cost of converting the Post and Telegraph Department's lines which are now erected from earth-working to metallic, if such conversion is required by the Minister of Telegraphs owing to electrical interference arising from the licensee's lines.

13. REMOVAL OF EXISTING POST AND TELEGRAPH LINES FROM PUBLIC ROADS.

Where it is necessary to remove existing Post and Telegraph lines from public roads in consequence of the erection of electric-power lines, the obtaining of way leaves where necessary to enter upon and erect Post and Telegraph lines on private property shall be arranged by the licensee.

14. LOCATION OF OVERHEAD LINES.

The erection and location of high-pressure or extra-high-pressure transmission-lines on or adjacent to the routes of the Post and Telegraph Department's lines shall be subject to agreement between the licensee and the District Telegraph Engineer.

15. GOVERNMENT MAIN TRUNK TRANSMISSION-LINES.

The licensee shall not, without the consent in writing of the Minister, erect any electric lines along the routes of the Government Main Trunk transmission-lines.

16. TIME FOR SUBSTANTIAL COMPLETION OF WORKS.

The period allowed for substantial completion of the works hereby authorized shall be three years from the date of this license.

17. SURPLUS ENERGY.

Whenever the water and plant are available to generate electricity in excess of the normal demand such electricity shall be generated if the Minister so requests in writing, and shall be supplied to him for the purposes of irrigation and water-supply works at a rate not exceeding one pound per horse-power of maximum half-hour demand per irrigation year. The point of delivery shall be such point on the existing high or extra-high pressure transmission-lines of the licensee as may be agreed upon from time to time. For the purposes of this clause "normal demand" means the quantity of electricity which the Board is at the time accustomed to sell to its individual consumers, and does not include any quantity disposed of under an agreement for wholesale supply. Demand for payment shall be made upon the Department by the 30th June in each year.

18. DEPRECIATION FUND.

The licensee shall, in addition to any sinking fund provisions imposed by the Local Government Loans Board, set aside an annual amount of not less than one per cent. of the value of the assets of the undertaking authorized by this license, such annual amount to be paid to the credit of a depreciation fund created for this purpose.

19. PURCHASE OF WORKS BY CROWN.

Notwithstanding anything herein contained, the Minister may at any time, and from time to time, give to the licensee notice in writing of his intention on behalf of the Crown to purchase and take control of the whole or such part of the works hereby authorized as shall be specified in the notice, and the licensee shall on a day to be agreed upon, but within three months after the receipt of such notice, assign such works to the Crown on the conditions following and any other conditions which may be agreed upon, viz. :-

- (a) The Minister shall pay to the licensee the installed cost of the several items comprising such works, reduced by three per cent. in respect of each year or part of a year from the date of commencement of supply until the date of purchase.
- (b) The Minister shall, if required by the licensee, supply to the licensee during any unexpired portion of the period of this license energy in quantity equal to the average quantity generated daily by the licensee, and supplied to consumers other than the Minister during the period of twelve months immediately preceding the day of the assignment.
- (c) In respect of the energy supplied by the Minister to the licensee under the last preceding subclause, the licensee shall pay to the Minister at a rate per kilowatt of maximum demand per annum equal to that which it cost the licensee to generate per kilowatt of maximum demand per annum (exclusive of surplus electricity supplied to the Minister in terms of clause 17 hereof) during the year prior to the works being taken over by the Minister. For the purposes of this subclause, the cost of generation shall include capital, interest, and management charges, the cost of providing and maintaining the supply of water to the turbines, and power-house operating and maintenance expenditure.

A. W. MULLIGAN,
Acting Clerk of the Executive Council.

(P.W. 26/1172.)