

of the Golden Bay Electric-power District as at present constituted. In the event of the Board receiving a demand for electrical energy in unreticulated parts of its district or outer area in which the licensee has erected lines to supply consumers, the licensee shall give such supply to the Board at the licensee's substation nearest to the premises for which the Board requires supply.

- (c) *Charges.*—In respect of normal demand, the charge for electrical energy supplied to either Electric-power Board shall not exceed £2 10s. per kv.a. of maximum demand per quarter for the first 200 kv.a. and £2 per kv.a. of maximum demand per quarter for electrical energy in excess of 200 kv.a. In respect of supply for short periods or in emergency conditions the licensee may charge such amounts as may be fixed by contract with the Board concerned.

For the purposes of this clause the term "maximum demand" means twice the number of units generated and recorded in the half-hour during which the output is the maximum for the quarter.

- (d) *Undertaking.*—Before either Board may claim the benefit of this clause the Board concerned shall give to the licensee undertakings to the licensee's satisfaction as follows:—

- (i) An undertaking to take from the licensee whatever electrical energy it requires in excess of that generated or capable of being generated by hydro-electric generating-stations as at present developed and now giving supply to such Board and by such other generating-stations as may subsequently be agreed to by the Board and the licensee and approved by the Minister; and

- (ii) An undertaking not to install or construct during the period of this license without the consent of the licensee any hydro-electric works or other generating plant in addition to those already installed by the day when this license is first published in the *Gazette*;

And without prejudice to any other rights the licensee may have, any breach of such undertaking shall disentitle the Board concerned to any benefit from this clause from the time of such breach.

- (e) *Date of Supply.*—Supply shall be made available to both Electric-power Boards in accordance with this clause immediately after the expiration of the time limited in that behalf in clause 9 hereof.

9. COMPLETION OF WORKS.

Within two years from the date when this license is first published in the *Gazette* the works shall be completed to a stage sufficient to meet the whole of the electrical requirements of the Waimea and Golden Bay Electric-power Districts; otherwise there shall be no limitation as to the time for construction of works, but no additional works shall be installed after the expiry of the first twenty years of the license period without the prior consent in writing of the Minister.

10. LICENSEE'S CONTRACTS.

(i) Subject to the licensee or the consumer holding the necessary authority under the Public Works Act, 1928, to construct, maintain, or use the necessary electric lines, the licensee may supply electrical energy to any consumer requiring 300 kv.a. or more per annum, but the licensee shall not supply any other consumer within an electric-power district or any consumer within the area of supply of any other licensed supply authority without the consent in writing of the Electric-power Board or supply authority concerned. In respect of each such supply, whether exceeding 300 kv.a. or not, the licensee shall quarterly or otherwise as may be arranged, pay to the Board in whose district are situated the premises so supplied a portion of the revenue received by the licensee in respect of that supply. The portion of revenue hereinbefore referred to shall vary in proportion to the quarterly demand as follows:—

In respect of quarterly demand not exceeding 100 kv.a. the portion of revenue shall be 10 per cent.

Where the quarterly demand exceeds 100 kv.a. but does not exceed 250 kv.a. the portion of revenue shall be 10 per cent. in respect of the first 100 kv.a. and 4 per cent. in respect of such excess demand.

When the quarterly demand exceeds 250 kv.a. but does not exceed 500 kv.a. the portion of revenue shall be 10 per cent. in respect of the first 100 kv.a., 4 per cent. in respect of the next 150 kv.a., and 2 per cent. in respect of such excess.

When the quarterly demand exceeds 500 kv.a. the portion of revenue shall be 10 per cent. in respect of the first 100 kv.a., 4 per cent. in respect of the next 150 kv.a., 2 per cent. in respect of the next 250 kv.a., and 1 per cent. in respect of such excess.

- (ii) Except pursuant to an arrangement with the Electric-power Board concerned, the licensee shall not give supply to the City of Nelson, the Nelson Freezing-works, or the Stoke Mental Hospital.

(iii) The licensee shall not enter into any contract to supply electrical energy if the supply contracted for, together with supplies required under all existing contracts and supplies required for the licensee's own works, might exceed the maximum output of the plant.

(iv) The licensee shall not enter into any contract to supply electrical energy in respect of any period terminating after the date of expiry of this license.

(v) Every contract for the supply of electrical energy by the licensee shall include provision whereby the contract may be assigned by the licensee to the Crown and shall be made subject to the provisions of this license.

(vi) No contract for the supplying of electrical energy by the licensee shall include any covenant which on assignment of such contract to the Crown might bind the Crown except covenants as to—

- (a) The quantity of electrical energy to be made available;
- (b) The price to be paid in respect of energy supplied pursuant to the contract;
- (c) Any other matter to which the Minister expressly agrees in writing; provided that the Minister's consent shall be deemed to be implied in respect of any covenant which at the time of the making of such contract is usually inserted by the Minister in his contracts with similar parties.

11. CONTINUANCE OF SUPPLY FOLLOWING ACQUISITION BY CROWN.

(1) Should the licensee's undertaking be acquired voluntarily by the Crown under paragraph (2) of clause 12 hereof before the expiration of the license:—

- (a) The licensee shall assign and the Crown will accept assignments of all contracts which may then exist between the licensee and its consumers, and, subject to the provisions of paragraph (c) of this clause, the Crown will give supply in accordance with such contracts:

(b) Throughout the unexpired term of the license, the Crown will supply and the licensee shall take such supplies of electrical energy as may be consumed at the licensee's works connected to this source at a price not exceeding the actual costs of generation and transmission to the point of supply (including interest and depreciation at the average rates payable on loans in the Electric Supply Account at the time of acquisition of the works by the Crown, but excluding any sum in respect of rental for the use of water) together with 10 per cent. thereof:

- (c) In the event of any company in which the shareholders are substantially the same as in the licensee company having a contract with the licensee for supplies of electrical energy current at the time when the undertaking is so acquired, the Crown shall throughout the unexpired term of the license be entitled to charge such company either the rate provided for in such contract or a rate calculated on the same basis as the rate charged to the licensee whichever is the greater.

(2) This clause shall not apply if the works revert to the Crown on the expiry of the license, or if the works are acquired by or vested in the Crown on account of any default or expected default on the part of the licensee.

12. ACQUISITION OF WORKS BY CROWN.

(1) *On Expiry.*—If the works authorized by this license have not been purchased or otherwise acquired by or vested in the Crown in the meantime, they shall vest in and become the property of the Crown free of cost and free of encumbrances at the expiry of the license by effluxion of time.

(2) *By Purchase.*—The right is hereby reserved to His Majesty the King to purchase at his option at a price to be ascertained as hereinafter provided, this