

*Mr Brown*

**PALMERSTON NORTH ELECTRICAL SUPPLY  
EMPOWERING**

[LOCAL]

ANALYSIS

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**A BILL INTITULED**

**An Act to empower the Palmerston North City Council to lay, construct, put up, place, and use electric lines and to distribute and supply electrical energy to the inhabitants of the City of Palmerston North as the boundaries thereof may from time to time be fixed**

WHEREAS the Palmerston North City Council by licence under the Public Works Act 1928 dated the sixteenth day of May, nineteen hundred and sixty-two, is authorised to erect electrical lines within the area of the original boundaries of Palmerston North and as shown outlined in brown on the Plan S.H.D. 499 deposited in the offices of the New Zealand Electricity Department at Wellington: And whereas by Proclamation issued under the Electric Power Board Act 1918 and dated the twenty-ninth day of November, nineteen hundred and twenty-one, the Borough of Palmerston North is

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included within the Manawatu-Oroua Electric Power District: And whereas by Order in Council under the Electric Power Board Act 1918 and amendments dated the thirtieth day of October, nineteen hundred and twenty-two, the Manawatu-Oroua Electric Power Board was authorised to construct electric works in its district: And whereas by Order in Council under the Public Works Amendment Act 1911, dated the thirtieth day of October, nineteen hundred and twenty-two, the Manawatu-Oroua Electric Power Board was authorised to use electric lines in its district for lighting, power, and heating purposes: And whereas pursuant to Part XIX of the Municipal Corporations Act 1954, the Palmerston North City Council may do all things necessary to light the streets, private streets, and public places of the city, and to supply electrical energy to the inhabitants thereof:

BE IT THEREFORE ENACTED by the General Assembly of New Zealand in Parliament assembled, and by authority of the same, as follows:

**1. Short Title and commencement**—(1) This Act may be cited as the Palmerston North Electrical Supply Empowering Act 1966.

(2) This Act shall come into force on the first day of April, nineteen hundred and sixty-seven.

**2. Interpretation**—In this Act, unless the context otherwise requires,—

“Board” means the Manawatu-Oroua Electric Power Board:

“City of Palmerston North” means the area within the geographical boundaries for rating purposes of the City of Palmerston North as defined from time to time in the *Gazette*:

“Corporation” means the Mayor, Councillors, and Citizens of the City of Palmerston North:

“Council” means the Palmerston North City Council.

**3. Boundaries**—The City of Palmerston North shall, notwithstanding the provisions of the Electric Power Boards Act 1925 and the Public Works Act 1928 and amendments thereto, constitute the area within which the Council shall be licensed to lay, construct, put up, place and use electric lines and to distribute and supply electrical energy to the inhabitants of the City of Palmerston North.

4. **Purchase of bulk supply**—The Council shall be entitled to purchase all electrical energy necessary for the effectual operation of any licence granted under section 3 of this Act direct from the New Zealand Electricity Department over  
5 lines and conductors erected by it or erected by the Board.

5. **Purchase of Board's lines, etc.**—(1) The Council shall pay to the Board the fair value of—

10 (a) All lines, poles, and other electrical equipment within the City of Palmerston North owned and used by the Board for the electrical reticulation by the Board of any part of the City of Palmerston North:

15 (b) All lines, poles and other electrical equipment within any area which hereafter is included within the geographical boundaries for rating purposes of the City of Palmerston North and which is owned and used by the Board for the electrical reticulation of any such area.

20 (2) The fair value thereof shall be such sum as the Council and the Board mutually agree on or as failing agreement is determined by two arbitrators (one to be appointed by each party) and their umpire (who shall be a Barrister of the Supreme Court of New Zealand of not less than seven years standing) in accordance with the provisions of the Arbitration Act 1908. The fair value as so determined or fixed shall be  
25 payable by the Council to the Board in cash within six months of the date of such agreement or determination as the case may be.

6. **Compensation to Board for loss of profit**—As compensation for loss to the Board of the net profit it has derived from  
30 direct supply of electrical energy to consumers (other than the Council) in certain areas of the City of Palmerston North, the Council will pay to the Board on the thirty-first day of March in each of the five years immediately following the coming into force of this Act, a sum equal to the net profit  
35 derived by the Board in its financial year ended on the thirty-first day of March, nineteen hundred and sixty-six from direct supply of electrical energy to consumers (other than the Council) in such areas of the City of Palmerston North. The net profit aforesaid shall be calculated in accordance with the  
40 normal past accounting practice of the Board and shall be such sum as the Council and the Board mutually agree on or as failing agreement is fixed by arbitration in the same manner as is provided in section 5 of this Act.

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**7. Transmission lines**—Notwithstanding the provisions of this Act, the terms and conditions of a certain agreement dated the third day of July, nineteen hundred and sixty-four made between the Council of the one part and the Board of the other part shall remain in full force and effect. 5

**8. City of Palmerston North excluded from Power Board district**—The City of Palmerston North, as the geographical boundaries thereof for rating purposes are from time to time fixed, is hereby excluded from the Manawatu-Oroua Power Board District. 10

**9. Debenture holders**—Nothing in this Act shall affect the rights or security of debenture holders in respect of any loan raised by the Board prior to the passing of this Act and secured by a rate over the rateable value of the City of Palmerston North. 15