

of capital themselves, and without the risk of having the capital expenditure on which the charges were based exceeded during construction.

HORAHORA ELECTRIC SUPPLY.

The financial results on this plant have again been very satisfactory during the year. The position may be summarized as follows:—

| | | | | | | |
|------------------------------|----|----|----|----|---|----------------|
| Capital investment | .. | .. | .. | .. | £ | 522,973 |
| Revenue | .. | .. | .. | .. | | 65,184 |
| Expenditure—Working-expenses | .. | .. | .. | .. | £ | 14,106 |
| Interest | .. | .. | .. | .. | | 20,129 |
| Depreciation | .. | .. | .. | .. | | 9,757 |
| | | | | | | <u>43,992</u> |
| Profit | .. | .. | .. | .. | | <u>£21,192</u> |

As this plant has now paid off all deficiencies and is operating at a profit, this amount has been utilized in paying sinking-fund contributions, £4,138, and the balance carried forward into reserve.

The additional units which have been installed during the year came into operation since the end of the financial year, and will enable a considerably greater load to be carried during the coming year. Since the end of the year also power has been supplied over the new transmission-line from Horahora to Auckland.

An arrangement has been come to with the Tauranga Borough Council by which the Department's Horahora system will be interconnected at Waikino with a line from the borough plant at McLaren's Falls, and the borough has contracted to supply up to 1,800 kilowatts to the Department's system. Besides providing this extra amount of power, this connection will be very useful as affording some standby on the end of the single transmission-line between Horahora and Waikino.

WAIKAREMOANA PLANT.

The small development at Waikaremoana, installed partly to provide power for the construction works of the proposed major development there, has been in operation supplying power to the Wairoa Power Board. Though the financial results as an operating power-supply station have not been so good as in the two larger schemes, the development has given excellent service to the Wairoa district, and has resulted in considerable development in that locality. The plant has been leased to and is being operated by Wairoa Power Board until such time as it is required for the major development. The capital outlay is £77,314, capital charges (interest and depreciation) amount to £5,735, and the revenue to £2,440, giving a loss of £3,295 for the year.

MANGAHAO ELECTRIC SUPPLY.

This station went into operation partially towards the end of the year, supply being given to the Horowhenua Power Board in November, to the Manawatu-Oroua Power Board in December, partial supply to the Hutt Valley Power Board in December, and continuous supply to the same Board in March. The limited revenue obtained from supply before the end of the financial year has been credited to capital, and the scheme considered as an operating development as from the beginning of this financial year—1st April, 1925. The operating capital at that date was £1,493,456, which amount will be added to as additional sections of transmission-line and substations come into operation.

Up to the end of the financial year the peak load on the power-station had reached 7,160 kilowatts, and the revenue obtained £3,237.

Since the end of the financial year supply has been given to the Wellington City Council, to the Tararua Power Board, the Dannevirke Power Board, and