

The main activity in the North Island has centred around the enlarging of Arapuni Power-station to its full size to accommodate four additional generators, two of which, each rated at 24,000 kv.a., are now on order. Construction work has been commenced in connection with the 50 kv. transmission line from Henderson to give supply to North Auckland District, and plans are being prepared for the extension of the 110 kv. transmission line from Masterton to Melling, thus providing a ring-main system for Wellington District. The main office for Wellington District, which has been located at Shannon since 1923, has recently been moved to new premises erected for the Department in Palmerston North.

At Waikaremoana investigations have been started to explore the possibilities of the more effective control of the water from the Onepoto outlet, and, if satisfactory, a major work will be commenced in connection with the further development of this scheme.

With the completion of the 110 kv. transmission line connecting Arapuni with the southern portion of the North Island System the financial and operating statistics for each of the North Island schemes have been amalgamated, and, commencing with this year, will in future be published under the heading of the North Island Electric-power System.

Similarly, with the completion of Waitaki and its inter-connection with Lake Coleridge, the financial and operating statistics hitherto published under the heading of Lake Coleridge Electric-power System now include those associated with Waitaki Station, and, commencing with this year, will in future be published under the heading of the South Island Electric-power System.

The year's operations are summarized in the following table, and a comparison of the percentage earned on operating capital over a period of years is shown on the graph below.

It is anticipated that owing to the substantial addition to operating capital for the South Island System, which will appear in next year's figures, the percentage earned will tend to show, for a year or two, a decrease from that pertaining up to the present. This anticipation can be explained by the fact that as Waitaki did not come into commission until January, 1935, the interest on the capital associated with its operation for the year ending 31st March, 1935, is shown for three months only, and depreciation for twelve months, but for each succeeding year interest and depreciation charges will be both brought to account for the full twelve months.

PERCENTAGE EARNED ON OPERATING CAPITAL AFTER PAYING WORKING-EXPENSES.

—			Average Operating Capital.	Gross Revenue.	Working- expenses.	Net Balance.	Percentage of Net Balance to Operating Capital.
			£	£	£	£	Per Cent.
North Island System	8,350,506	712,766	120,927	591,839	7.087
South Island System	2,577,083	228,097	35,083	193,014	7.490
Totals	10,927,589	940,863	156,010	784,853	7.182

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