

ELECTRIC-SUPPLY OPERATING ACCOUNTS.

North Island Electric-power System.

The Arapuni-Mangahao-Waikaremoana plants have operated satisfactorily throughout the past year, and the revenue shows an increase of £82,625 over that of the previous year.

		£	£
Capital investment at end of year	8,635,000
Revenue	795,391	
Operating-expenses	144,068	
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Balance	£651,323	
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The balance has been used in paying interest charges (£408,051), and £38,148 as the Department's share of the capital charges on the King's Wharf generating-plant of the Auckland Electric-power Board, also £17,591 to provide the full statutory contribution to depreciation.

Accumulated losses to date amount to £399,315, but the Reserve Accounts established in connection with this system show that £961,757 has been credited to depreciation and £55,930 to sinking fund, which latter amount has been utilized in the redemption of loans.

South Island Electric-supply System.

The Lake Coleridge-Waitaki plants have operated satisfactorily during the past year, and the revenue shows an increase of £17,161 over that of the previous year.

		£	£
Capital investment at end of year	4,460,382
Revenue	245,258	
Operating-expenses	53,900	
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Balance	£191,358	
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The balance has been used in payment of interest (£177,217), £79,750 has been paid to depreciation, the deficiency of £65,609 being provided from general reserve.

SUPPLY IN THE NELSON DISTRICT.

Prior to the present Government coming into power a license to develop a water power on the Cobb River and to supply power in the Nelson and Golden Bay areas had been granted to a private company. After protracted negotiations, authority has now been given to this company, which is interested in various industries in the area, to assign this license to a new company specially constituted to deal solely with the supply of power to the local authorities and special industries in the area. Special precautions have been taken to be certain that the interests of ratepayers and consumers in the area to be supplied are adequately protected, and provision is made for acquisition by the Crown on favourable terms in the event of default by the company, or if in any case such action should appear desirable.

SOUTHLAND ELECTRIC-POWER BOARD.

This particular authority, which operates the Monowai power-station and a large reticulation system dependent thereon, has for some years been unable to carry on without resource to rating as a means of augmenting its revenue. Negotiations had been carried on by the previous Government with a view to taking over a part or the whole of this Board's business. An examination of the whole position satisfied me that the best assistance that could be rendered to the ratepayers in this area would be for the Government to take over the whole undertaking and thereafter