

Additional main transmission lines are being built to give supply to the Bay of Islands Power Board, to duplicate the supply from Arapuni to the Bay of Plenty, and later to act as a main interconnection between Arapuni and Waikaremoana, to provide an additional double circuit line from Arapuni to Auckland, to interconnect the existing main substations at Melling and Masterton, and so provide a triplicate line to Wellington and an alternative to the Wairarapa.

Work is also in hand on the main transmission lines between Lake Coleridge and the West Coast, and between Dunedin and Southland. In both cases, however, work has been delayed by irregular deliveries of poles from Australia.

OPERATING RESULTS.

For the year just closed the number of units generated in the Government stations showed an increase over the previous year of 15·95 per cent. in the North Island and 33·3 per cent. in the South Island. The latter increase is to some extent accounted for by the acquisition of the Arnold River station of the Grey Electric-power Board, the first complete year of operation of Monowai Station under Government ownership, and to increased demands by Christchurch and Dunedin Cities.

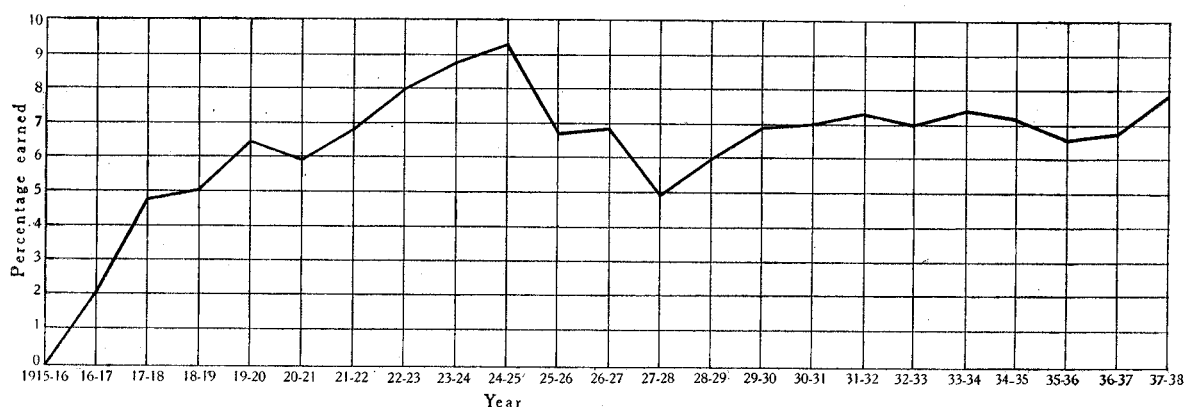
Financially the year has been a successful one, and the whole Electric Supply Account has been able to earn 7·84 per cent. on the operating-capital after paying net operating-expenses.

The position of the account is summarized in the following table, and the result since the State commenced operation in the electric supply business is shown in the following graph:—

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	8,861,213	978,492	177,545	800,947	9·039
South Island system	6,011,425	491,551	126,715	364,836	6·069
Totals ..	14,872,638	1,470,043	304,260	1,165,783	7·838

PERCENTAGE EARNED ON OPERATING-CAPITAL AFTER PAYING NET OPERATING-EXPENSES.



In the North Island the Depreciation Reserve required by the State Supply of Electrical Energy Act—viz., 12½ per cent. of the capital invested—has already been reached, and an amount sufficient only to maintain this 12½ per cent. is therefore chargeable to depreciation, with a consequential credit balance of £360,662 on the year's operations. This balance has been used to wipe out the deficiency which has been accumulated in earlier years. In the South Island, where in the past the Depreciation Reserve had reached the 12½-per-cent. limit mentioned above, the addition of a large amount of additional capital has necessitated the resumption of full payments into the Depreciation Reserve Fund, yet the year's operations show a profit of £30,987.