

WAIKAREMOANA.

Operation at this plant has been carried out during the year by the Wairoa Electric-power Board, who have leased the plant until December of this year. Both the original plant and the one recently installed to provide additional power for constructional purposes have operated without any serious difficulties during the year. The capital expenditure has been increased during the year from £80,564 to £185,703. Capital charges, interest, and depreciation on the plant in operation amounted to £6,771, the revenue received has been £2,405, leaving a loss of £4,367 on the year's operation. The accumulated loss on this plant now amounts to £15,050, against which there is an accumulated Depreciation Fund of £6,326.

MANGAHAO.

The second year of operation of this plant has been marked by rapid growth of load, and the financial results have been satisfactory. The total capital expenditure has been increased to £2,242,870 during the year, of which amount about £250,000 represents assets not in operation at the end of the year. The financial position may be summarized as follows:—

					£
Capital	..	..	..	..	2,242,870
Revenue	..	..	..	..	101,897
Operating-expenses	..	..	..	..	26,921
Balance	..	..	..	..	£74,976

The balance has not been sufficient to pay interest and depreciation, and leaves a deficiency of £56,902. The accumulated deficiency on this scheme now stands at £124,193, against which there is a Depreciation Fund of £64,255. The balance of revenue over working-expenses represents a payment of 4 per cent. towards capital charges, which can be considered as reasonable. It is a considerably greater percentage than was paid at a similar stage of its career by Lake Coleridge, which has since proved so successful.

The very dry summer experienced had the effect of very considerably reducing the revenue received in the last quarter of the year, owing to the large extent to which the fuel-driven plants in the area had to be called upon to assist in supplying power to the district. The arrangements made with the fuel-generating plants in Wellington, Palmerston North, and Wanganui proved most satisfactory, and the co-operation of the authorities controlling these plants was much appreciated. There is no doubt that the advantages of electric power are being more and more appreciated in this area, and the following table indicates the annual increases that have taken place in the demand taken by different supply authorities obtaining power in bulk from this supply:—

—				Quarter ending 30th June, 1926.	Quarter ending 30th June, 1927.	Percentage Increase.
Power-station output	..	..	..	17,703,060	21,752,550	23
Horowhenua	..	..	..	1,282,937	1,574,298	23
Wellington	..	..	..	8,905,700	8,682,150	0
Hutt Valley	..	..	..	1,372,120	2,230,450	62
Meat-works	..	..	..	263,700	473,150	80
Railway Department	..	..	..	131,180	237,890	82
Manawatu-Oroua	..	..	..	1,786,871	2,843,641	59
Dannevirke	..	..	..	295,877	378,821	28
Tararua	..	..	..	317,725	497,357	57
Wairarapa	..	..	..	687,900	590,910	0
Wanganui-Rangitikei	..	..	..	989,436	2,652,618	168
Central Hawke's Bay	..	..	..	239,690	449,406	88
Hawke's Bay	..	..	..	0	353,929	..