

The total capital expenditure to date has been £2,022,315, of which about £520,000 represents expenditure on extensions, and substations which had not come into operation at the end of the financial year, and on the third dam, which is not yet complete or in operation. It is also to be noted that a considerable portion of the expenditure on transmission-lines and substations on the Hawke's Bay and Wairarapa side of the range is in reality an advance part of the expenditure necessary to provide load for the Waikaremoana scheme.

The financial position may be summarized as follows:—

Capital	..	..	..	..	..	£ 2,022,315
Revenue	..	..	..	..	..	76,857
Operating-expenses	..	..	..	..	..	21,865
Balance	..	..	..	..	..	<u>£54,992</u>

The balance has not been sufficient to pay interest and depreciation charges, and leaves a deficiency of £67,291. The balance represents a payment of about 3·65 per cent. towards capital charges, which is considerably more than was paid by the Lake Coleridge scheme (now quite successful) in its first or even second year of operation, and must be considered satisfactory.

The load on the plant has developed very rapidly. The peak load to the end of the financial year was 13,960 kilowatts, but since that date a maximum load of 18,100 kilowatts has been carried. The water-supply has been well maintained, enabling the plant to carry considerably more than its rated capacity without the third dam. To the end of the financial year it was not necessary to call on any of the connected fuel plants to carry part of the load, though since the end of the year it has been necessary to get the Wellington and Palmerston North plants to carry part of their load for a few days on two different occasions during continued dry spells with heavy loading. When the third dam is completed, which it is anticipated will be during the coming summer, the water capacity will be considerably increased, but even then if we meet an exceptionally long continued dry spell it may be necessary to get assistance from the fuel plants for short periods. Arrangements have been made with some of our customers who have fuel plants for a supply of power to meet these conditions.

Before supply was given from this plant contracts were made with the various supply authorities requiring power, and it was a condition of such contracts that the supply authority should guarantee to take within five years the amount of power he desired to be allocated to him. That the demand has exceeded the estimates of most of the Boards is evident from the fact that in some cases the demand has already exceeded the total allocation, and the peak load on the station has already been only a very few per cent. below what the various consumers' guarantees indicated as the probable load on the station at the end of five years.

#### CONSTRUCTION WORKS.

##### LAKE COLERIDGE.

An expenditure of £358,460 has been made in connection with the extensions to this plant. The contractor for the tunnel has completed this work, although a serious accident during the progress of the work resulted in the loss of two men, who were buried under a fall from the roof of the tunnel. Despite serious delays in the delivery of the power-house plant, the first of the new 7,500-kilowatt units was put into operation during July, and the installation of the second is well forward. An extension to the main substation at Addington has been completed, a new 6,000 kv.a. synchronous condenser installed there, and work is well forward on new switch-gear which has become necessary to deal with the ever-increasing loads. An additional 5,000 kv.a. transformer bank has been installed, and orders have been placed for an additional 12,000 kv.a. bank. A second transmission-line between Hororata and Timaru is now nearing completion, and additions and alterations to accommodate this have been made to the substations at Hororata,