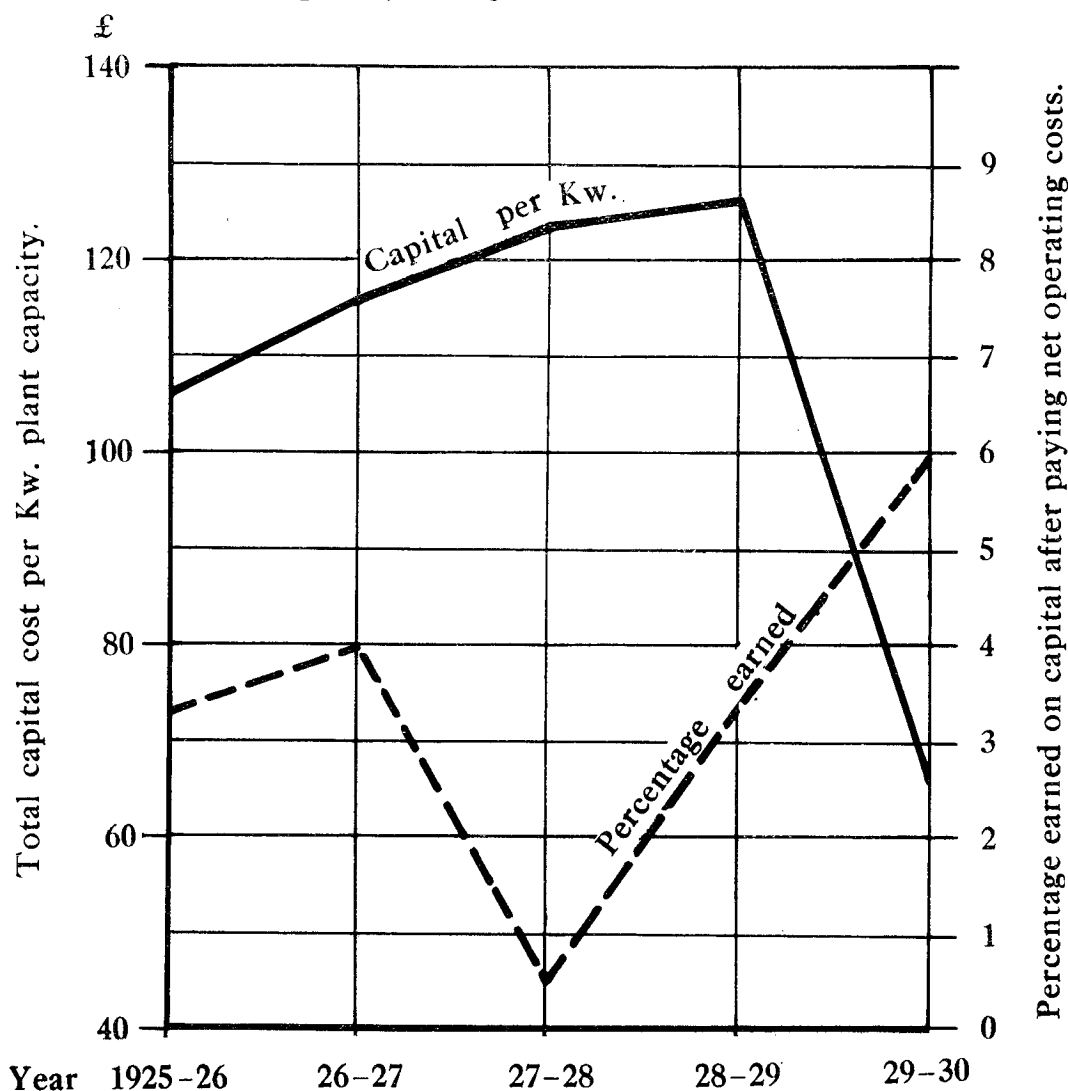


the putting into operation of the Waikaremoana plant has made a big addition to the capital on which charges have had to be paid, the financial position of the scheme shows an improvement on the position of the two schemes acting independently in the previous year. It may be summarized as follows:—

					£
Capital investment at end of year	..	..	..	..	3,426,901
Revenue	..	..	..	..	259,461
Operating expenses	..	..	..	..	59,235
Balance	..	..	..	..	£200,226

The balance has been used in paying interest, and has, in addition, allowed a payment of £62,205 to the depreciation fund. Now that the stations are interconnected the method of operation has been considerably altered, Waikaremoana, where at present little storage is available, being run almost to the capacity of the water, while Mangahao is run to a considerably lesser degree than previously, so as to conserve water in the reservoirs to meet special demands. The improvement in the financial position is mainly due to the fact that it has been unnecessary to purchase power to any extent from fuel plants in the area, the only occasions in which these plants have been called upon being when machines at Waikaremoana were out of action temporarily during tests.



NOTE.—Figures for 1930 show Mangahao and Waikaremoana combined.

The above graph deals with the Waikaremoana-Mangahao system. It indicates the high cost per kilowatt of that system. This is due partly to the very high construction costs at the time Mangahao, in particular, was built, and also to the extent in which transmission-lines and substations were built in advance as part of a general