

The balance has been used in paying interest and depreciation charges. This does not provide the full statutory provision, but leaves a deficit of £35,694 on the year's operations.

The reserve accounts established in connection with the scheme now show that £186,405 has been paid to Depreciation and £56,740 to Sinking Fund.

The fourth generating unit, of 15,000 kw., the delivery of which was held back pending decision on the question of remedial measures, has since been delivered, and erection work is in hand, so that the machine should be available as soon as the headworks are again in commission.

Waikaremoana-Mangahao.—These two stations have been delivering power into a common system of transmission and distribution throughout the year, and, despite a certain amount of dislocation following the Hawke's Bay earthquake, the financial position continues to show some improvement.

	£
Capital investment at end of year	3,498,840
Revenue	283,017
Operating-expenses	59,476
Balance	<u>£223,541</u>

The balance has been used in paying interest, and has, in addition, allowed a payment of £63,850 to the Depreciation Account, which now stands at £284,966.

The Hawke's Bay earthquake was felt very severely over a good deal of the territory served by the system. No damage was done at either of the two power-stations, though a considerable amount of damage was done to chimneys and all loose material in the staff cottages at Waikaremoana. The Department's substation at Taradale (Napier) was, however, severely damaged, the main transformers being overturned, and portions of the building will also require fairly extensive repairs. An extensive slip between Napier and the power-station also carried away two of the main transmission-line towers and necessitated a deviation being built over a length of one mile and a half to clear the broken country.

Despite the severity of this calamity, however, the Department was able to make power available again at Taradale within thirty-six hours of the occurrence of the earthquake. Though the load taken by the Hawke's Bay Power Board necessarily showed considerable reduction for some time, it has already risen again to figures in excess of what was taken before the disaster occurred.

Lake Coleridge.—I have already mentioned the unfortunate restrictions that had to be imposed on account of the unprecedented drought in this area. This, of course, also had considerable influence in increasing operating-costs and decreasing revenue returns. Nevertheless, the year has been a successful one.

	£
Capital investment at end of year	1,712,555
Revenue	217,632
Operating-expenses	57,033
Balance	<u>£160,599</u>

The balance has been used in payment of interest: £13,290 has been paid to the Depreciation Account, £17,126 to Sinking Fund, and £52,957 to General Reserve.

ELECTRIC SUPPLY AUTHORITIES ACTIVITIES.

The regulations governing electric supply and installations of all authorities are at present being revised by the officers of my Department, assisted by an Advisory Committee on which other interested parties are represented, and it is hoped that a new issue may be made available during the coming year.

IRRIGATION.

During the year a considerable amount of investigation and survey work has been carried out in connection with irrigation schemes in Central Otago. The data thus obtained is now being compiled, and early consideration will be given to the question of the desirability or otherwise of further extensions of the irrigable areas in that district. The total expenditure which the Public Works Department has incurred on irrigation in Otago up to the end of March, 1931, amounts to