

ELECTRIC-SUPPLY OPERATING ACCOUNTS.

(a) North Island Electric-power Supply.

The Arapuni-Mangahao-Waikaremoana plants have operated satisfactorily throughout the past year, and the revenue shows an increase of £92,019 over that of the previous year.

The result of the year's operations was as follows:—

	£	£
Capital investment at end of year	8,976,196
Revenue	887,410	
Operating-expenses	144,315	
Balance	£743,095	

The balance has been used in paying interest charges (£391,241) and £38,120 as the Department's share of the capital charges on the King's Wharf generating-plant of the Auckland Electric-power Board, also £10,464 to provide the full statutory contribution to depreciation, and £59,130 has been charged against cost of raising loans.

Accumulated losses to date amount to £155,175, but the Reserve Accounts established in connection with this system show that £949,888 has been credited to depreciation and £55,930 to sinking fund, which latter amount has been utilized in the redemption of loans.

(b) South Island Electric-power Supply.

The accounts under this heading formerly had reference to the interconnected Lake Coleridge and Waitaki systems, but this year have been amalgamated with those of the Southland system which was purchased from the Southland Electric-power Board last October. This latter portion of the system is, however, not yet actually interconnected with the Coleridge-Waitaki section. The respective plants have operated satisfactorily throughout the year.

The year's operations resulted as under:—

	£	£
Capital investment at end of year	6,149,224
Revenue	329,058	
Operating-expenses	85,829	
Balance	£243,229	

The balance has been used in payment of interest (£212,640); £112,275 has been paid to depreciation; and £26,420 has been charged against cost of raising loans. The deficiency of £108,106 has been provided from the General Reserve previously accumulated.

GENERAL.

The capital invested in the electric-supply systems operating throughout the Dominion totals £34,253,508, which includes £15,125,420 of Government expenditure, and the gross revenue received for the year was £5,124,220. After paying working-costs, interest, sinking fund, and depreciation charges, the net profit for the year under review was £570,131, as compared with £554,154 for 1936, which indicates that the electric-supply business as a whole is in a healthy condition. The average revenue received by the Government for each unit sold was 0.359d., compared with 0.346d. for last year. This increase is due to the revenue received from the retail side of the Department's business in Southland. Excluding the retail business, the average for this year is 0.344d. per unit. The average revenue per unit sold by all the retail supply authorities to consumers throughout the Dominion was 1.071d.

An analysis and summary of the operating-results and other statistics furnished by each electric-supply authority reveals the fact that there has been an increased consumption of electrical energy amounting in the aggregate to approximately 10.6 per cent. over that of 1936. This is due mainly to intensive load-building