

## Comparisons Show that Canada Northern's Power Is Cheap Power

Power is not a commodity like the ordinary things we buy. It cannot be weighed and delivered to your house like a pound of sugar. It is a service that has not only got to be there when you want it, but that has to stand by at your call even though not wanted for the time being.

The matter of the proper charge for this service is one of the most intricate features of the industry, and so many factors are involved that a comparison of power rates requires the services of an expert with a most complete knowledge of all these factors.

As a result, power rates are compared from time to time—sometimes innocently, sometimes not so innocently—to the great perplexity of those who would like to understand.

You hear a great deal about our \$50 rate, yet even that is not as simple as it looks. The highest rate of the Company is not \$50 per horsepower per year, but \$4.16 per horsepower per month. This looks like the same thing, but we know that it is not. Unless a customer's requirements are exactly the same every month in the year, this rate must bring in something less than \$50. And our experience during many years indicates that the ordinary fluctuations of our customers from month to month are sufficient to reduce the charge, figured on a yearly basis by five to ten per cent.

There is another point, seldom mentioned, about the so-called \$50 rate, which, as explained above, is not \$50. As a customer's requirements increase the rate goes down. While you hear a lot about \$50, you may not have heard so much about \$28.75, which,

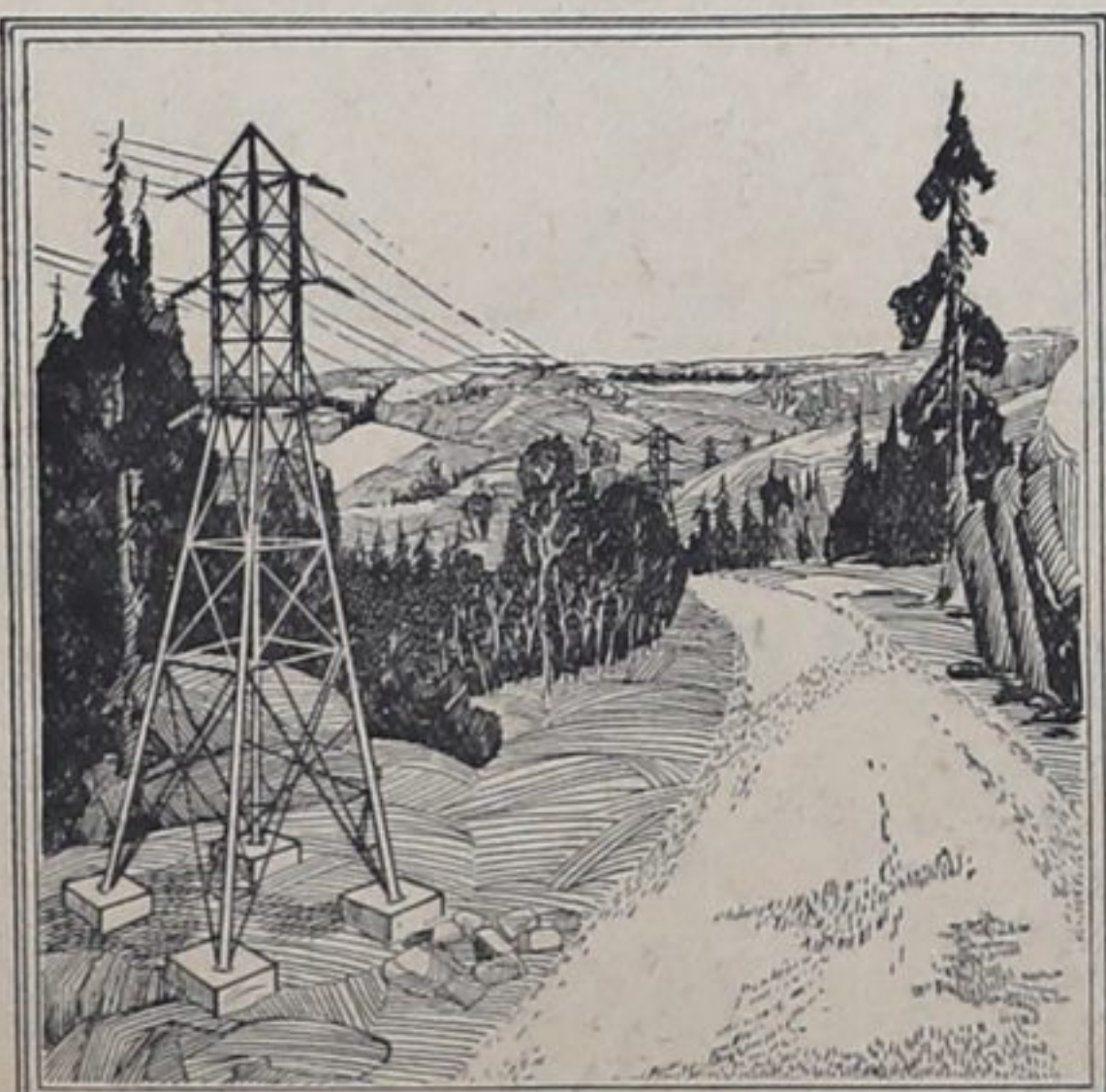
even on the so-called yearly basis, is all that a customer using 20,000 horsepower could possibly pay. With ordinary fluctuations in his load the charge would be even less.

And don't forget that over 10% of our rate is returned to the public by way of taxes, which last year were \$1,000 a day.

If we were to tell you that it was possible for two customers with exactly the same contracts, paying exactly the same rates, to pay, the one apparently \$27 per horsepower per year and the other \$65 per horsepower per year, you might think we were exaggerating, and yet that was the case. The matter of load factor entered in and made all the difference. We cannot attempt to explain load factor in a short article like this, but merely wish to point out what a difference can be made by some of these factors which enter into our business and which have to be known before truthful comparisons can be made.

But it is not horsepower that does the work, but the kilowatt-hour—and in comparison with kilowatt-hour charges in crowded industrial centres our northern charges will stand the most rigid examinations.

Power rates are funny things, because power is a service and not a commodity, and many apparent contradictions creep in. Notwithstanding the statements of the inexpert, and those with axes of some sort or the other to grind, you can be proud of the fact that the rates of this Company which serves the North so well, and in which so many of you are interested, compare favorably with the rates of any other enterprise of its kind, either publicly or privately owned, anywhere.



### Canada Northern Power Corporation Limited

*Controlling and Operating*

**Northern Ontario Power Company, Limited  
Northern Quebec Power Company, Limited**