

Numbers war' rages at Queens Park

ICG challenges Hydro's export rights



A CELEBRATION OF CHRISTMAS

The Archangel Michael brings the message of the birth of Jesus to the shepherds during the Stewarttown Senior Public School's presentation of the Christmas story last Friday. All of the actors and actresses are grade eight students. The students worked long and hard to create the elaborate sets and costumes used in their performance. Many more photos on page 27. (Herald photo by Richard Petrascheck)

The latest round in the continuing battle between Ontario Hydro and the Interested Citizens' Group (ICG) primarily concerns the sale of power from the Bruce generating station to the United States at a cost allegedly lower than that at which the power is being sold to Ontario utilities.

With officials of the Ontario Federation of Agriculture and Energy Probe on hand to offer full support, spokesmen for the ICG told Toronto reporters last week that Hydro is exporting power to the U.S. at far cheaper rates than those charged to Ontario consumers.

Hydro's subsequent rebuttal has suggested that the ICG's accusations are unfair and misleading, in that they compare "apples to oranges", but the ICG and Halton-Burlington MPP Julian Reed are standing by their claims with additional charges possibly in the works. The ICG's well-publicized press conference at Queen's Park last week produced a request to the federal government's National Energy Board (NEB) to investigate Hydro's sale of power to American utilities.

The ICG charged that Hydro has contravened the NEB Act, thus necessitating a suspension of its export licence until a public hearing can be held on the matter.

While the 500,000-volt transmission corridor through Halton Hills, the main subject of the ICG's seven-year battle against Hydro, was mentioned only in passing at the meeting, the ICG made it clear that it believes the line is only required for exportation purposes, contrary to Hydro claims.

SOLD FOR LESS
Power being exported to the U.S., according to the ICG, is being sold at a price less than the cost of production. In addition it says the rate charged

U.S. utility companies is less than that paid by Ontario consumers.

When completed, ICG says, Hydro plans to use the line which connects the Bruce nuclear power generating station with the distribution link at Milton as an international power line.

However, responding to charges in the legislature, Energy Minister Bob Welch says Hydro does not sell power below production cost even though it is planning increased exports to the United States. ICG is comparing wholesale export prices with Ontario retail prices.

"In fact, the policy is not to sell below cost plus 10 per cent," Mr. Welch said.

Hydro says its utility customers and rural rates in Ontario include costs of transforming power down to user levels.

BULK EXPORTS
Export sales to the U.S. are on a bulk basis and delivered on an interruptible basis, meaning they are cancelled immediately if the power is needed in Ontario.

Mr. Welch says Hydro exports are monitored monthly by the NEC to ensure that cost is covered fully and is not less than the price Canadian consumers pay for comparable service.

In the six-page brief presented to the NEB Tuesday, the ICG asked that a mandatory order stopping construction of the Halton Hills line be placed by the NEC against Hydro.

The brief asks that Hydro be compelled to make application for construction of the line for export purposes and that public hearing be ordered to examine agricultural and environmental impact.

A spokesman for the NEB said late Tuesday the brief had not been received in Ottawa. He declined comment on the arguments of the three citizen groups but stressed the NEB regulates energy crossing international boundaries.

EXPORTS REDUCE RATES
Group spokesman John Minns says Hydro sells power to New York utilities at 1.9 to 2.3 cents per kilowatt hour but charges Ontario consumers almost one cent more per kilowatt hour.

But Hydro claims export sales help keep Ontario rates lower. In the first 10 months of 1979, 10.4 billion kilowatt hours valued at \$300 million, \$136 million of which was profit, was exported to the U.S.

Every year \$20 million earned in a given year means a one cent savings to Ontario consumers.

Mr. Welch noted in the House that the Sarnia Lambton generating station sells 100 per cent of its production to the U.S. and a comparison of monthly residential electric bills showed \$28 in Toronto and \$16 in Detroit (July, 1979 figures).

EXPORT CONCERNS
Mr. Reed is also concerned

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Reed backs ICG move

By LORI TAYLOR
Herald Staff Writer

Ontario Hydro is "comparing apples and oranges to confuse the public" in the latest exchange of figures on the cost of generating power from the Bruce and Nanticoke generating stations, according to Liberal energy critic Julian Reed.

The latest round in the continuing battle between Ontario Hydro and the Interested

Citizens' Group (ICG) primarily concerns the sale of power from the Bruce generating station to the United States at a cost allegedly lower than that at which the power is being sold to Ontario utilities.

The ICG alleges that Ontario Hydro is selling power to the U.S. at a loss, and is seeking an investigation into the matter by the National Energy Board.

Mr. Reed, MPP for Halton-Burlington, said that the figures published by Ontario Hydro do not include all the factors which go into generating power. The generating cost given out by Ontario Hydro is comprised mainly of the cost of the fuel used to produce the power, and doesn't always include the depreciation of the capital equipment or the debt charges. It sometimes doesn't include the capital costs of the capital equipment, Mr. Reed said.

"Nuclear power is a little cheaper than coal power, but not a lot," Mr. Reed said. "Once you add in the capital costs, and nuclear generating stations are more expensive to build than coal stations; in operating costs and the maintenance, the difference is minimal. With coal, the cost comes in with the fuel replacement. The capital cost of nuclear power is much higher than coal, but the fuel cost of nuclear power is much lower than coal."

Mr. Reed is also concerned

McDermid follows Clark's footsteps, named co-ordinator of the YPC's

Brampton-Georgetown MP John McDermid kicked off his second campaign of 1979 last week by announcing his appointment as Progressive Conservative youth co-ordinator.

Mr. McDermid said the appointment was made by Prime Minister Joe Clark just prior to the government's defeat in a vote of non-confidence last week.

As youth co-ordinator, Mr. McDermid is to be responsible for liaison with Progressive Conservative Youth Federation, formerly known as the Young Progressive Conserva-

tives (YPCs). He is also to arrange caucus tours and campus activities and be responsible for presenting the recommendations of various youth forums to the caucus.

Mr. McDermid said that Mr. Clark had told him tongue-in-cheek, that the position was an important step towards being Prime Minister.

"He should know," Mr. McDermid said. "He once held the same position."

The 29-year-old rookie MP said he wasn't sure if he would be able to work the new position into his campaign, but he was looking forward to the

new responsibilities. "I spent many years in the YPCs, as did a lot of other MPs, and I think it's great training," he said.

Mr. McDermid unveiled his campaign team at a meeting in his headquarters, located in Squire Mews on Queen Street East in Brampton.

Everett Biggs, former deputy-environment minister for Ontario and Mr. McDermid's opponent for the Conservative nomination in the May 22 election, will be campaign manager. Mr. Biggs' wife, Irene, will be deputy campaign manager. Phil Upshall and

Fran Baines have been chosen as Mr. McDermid's assistant campaign manager's in charge of administration and strategy.

Energy, the economy and the Clark government's legislative record will be the main issues in his campaign, Mr. McDermid said, and the fact

that the election at this time is "unnecessary and irresponsible."

"We'll be running a positive campaign," he said, "and we're ready to go."

The PC nomination meeting will be held Jan. 19 in Central Peel Secondary

School. Mr. McDermid said a guest speaker is being arranged but that it was too early to say who it would be. He also said that he had asked Prime Minister Clark to make an appearance in Brampton during the campaign, but it was also still too early to say just when he might be in town.

Milne ready to fight issue-filled campaign

Former Liberal MP Ross Milne will try to reclaim the House of Commons seat taken from his last May by Progressive Conservative John McDermid.

Mr. Milne said last week he will seek his party's nomination for the Brampton-Georgetown riding in the Feb. 18 federal election. The party's nomination meeting will be held Jan. 9.

"We decided we're going to have a go at it," Mr. Milne said, adding his family was involved in the decision.

"It has to be a family decision. They're involved in it just as much as the candidate," Mr. Milne, who was Brampton's MP for five years, predicted this campaign will be

"much more issue-oriented" than May's.

And, he added, several issues prompted him to run. One is PetroCanada, the government owned energy agency which the Conservatives have promised to dismantle.

"I want to make sure it remains in its present form," Mr. Milne said.

Mr. Milne is also upset that the Tory government turned over control of offshore energy resources to the provinces since "that's where our future is."

The measure will make a few provinces rich to the detriment of others, "none more so than (to the detriment of) Ontario," he said, adding natural resources belong to all Canadians.

Morrow pilots PM's campaign

Ric Morrow, former Halton regional chairman and long-time Georgetown resident, is keeping Prime Minister Joe Clark's election campaign up in the air.

Mr. Morrow piloted the PM's private campaign plane in the last federal election and will continue to do so in this one, provided that the Conservative party doesn't decide to switch their leader's mode of transportation from the present DC-9 to a 747. Mr. Morrow's wife, Sandy, told the Herald Friday.

Mr. Morrow is a supervisory pilot in management with Air Canada and, as part

Clark and his entourage to the various political rallies across Canada.

Mrs. Morrow told the Herald that her husband would be home for the holidays, during which time the PC campaign organizers will decide whether or not to stick with the DC-9.

Mrs. Morrow said her husband would be returning Friday evening from his trip to Winnipeg with Mr. Clark.

Mr. Morrow was the second chairman of the region of Halton from 1976 to 1978, elected to that position by fellow regional councilors shortly after his second victory in the municipal election for Halton Hills



ONLOOKERS AT THE BIG EVENT

A couple of shepherds watch the performances of other Park Elementary School students, while another student sneaks into the picture. All of the performances were greeted with great enthusiasm from the parents and students in the audience. (Herald photo)



THE SMILE SAYS IT ALL

This young fellow from Maple Nursery School seems delighted with the present from Santa Claus, and he hasn't even seen it yet. Actually, he's smiling for his mother, who is standing off to the right, out of the picture, with a camera to record her son's visit with Santa Claus at the nursery school's annual Christmas party. (Herald photo by Lori Taylor)