

HYDRO REPORT SHOWS REVENUE

"No Need to Raise Rates to Pay for Development," Says Sir Adam Beck, in Statement of Past Year's Operations of Ontario Commission Given to Legislature

GOOD RESULTS ON ALL SYSTEMS

Confirmation of the often repeated opinion that no increase in power rates would be involved in the carrying out of the Queenston-Chippawa development is contained in the fourteenth report of the Ontario Hydro-electric Power Commission, tabled in the Legislature last night.

"It is most gratifying to the commission," says Sir Adam Beck, in a preface to the statistical presentation, "to be able to report that the increase in revenue in the municipalities in the Niagara district is such as to confirm its opinion that the revenue from the municipalities on this system will be sufficient to carry the Queenston-Chippawa development without the necessity of having to increase the rates to consumers."

Thirteen Main Systems.

The report deals with the various operations of the commission for the past year with respect to 13 main systems, to which are connected 233 municipalities, 47 townships and rural districts and 48 commercial institutions. The report also shows the cumulative results for the various periods during which operation has been maintained.

Sir Adam says in his prelude:

"Despite the continued commercial depression prevailing throughout the year, and the continued high

cost of material and labor, the commission is again able to state that this year's operation is the most successful in its history. This is especially true of the Wasdells system, the Muskoka system and the Niagara system.

"At the beginning of the year the commission determined a schedule of rates to cover the estimated cost of service to all municipalities. On all of the systems the total revenue for the year under these rates was \$5,419,818.81, while the cost of service, made up of the cost of power, operation, maintenance, administration and interest, was \$4,753,445.69, and the necessary sinking fund and reserves for renewals and contingencies amounted to \$772,727.52, making a total of \$5,526,173.21. After meeting all obligations in accordance with section 23 of the Power Commission Act, the expenditures and reserves exceeded the revenue by \$106,354.40, or 1.96 per cent., which has already been billed to the municipalities and taken up in their operation and balance sheets, so that the commission's balance sheet shows neither profit nor loss."

Nearly All Have Surpluses.

Dealing with the Niagara system, the report first outlines the early power difficulties and the manner in which they were met, and proceeds: "The local systems of the municipalities nearly all show surpluses after providing for all operating expenses and setting aside sufficient

funds for depreciation. The exceptions to this condition are twelve of the smaller municipalities and three township systems, all of which will be placed in a satisfactory operating condition by a small adjustment in rates which will scarcely be noticeable to the consumer. The fact that there has been a shortage of power during the last few years is largely the cause of these smaller municipalities showing a loss, as it was necessary during those years to discourage the taking on of additional customers. This situation will be corrected in the coming year."

Concerning the Severn system, it points out that successes were greatly curtailed during the year by the dropping off of large industrial loads in Collingwood, which increased the cost of power supplied to the other municipalities.

The report states: "With return to normal conditions and the addition of industrial loads in other municipalities it is expected that during the coming year this system will again show a very satisfactory operating report."

Of the Eugenia system it says:

"The conditions on this system for the current fiscal year show a great improvement over those of the preceding year, the total average load sold by the system being 1,343.4 horsepower in excess of the load of the previous year; an increase of approximately 40 per cent. The revenue collected for the fiscal year from the various municipalities and companies served was approximately \$84,000 in excess of that of the previous year. The load increased in all but four of the municipalities. Greatly increased demands occurred at Durham, Hanover and Neustadt; Durham and Hanover showing an increase of approximately 100 per cent., and Neustadt an increase of approximately 50 per cent. This increase in demand is all of a permanent character. Conditions have been still further improved since the close of the fiscal year, which points to the probability of much greater demands during the coming year. There is every indication that the municipalities served by the Eugenia system have recovered from the industrial depression experienced during the past few years.

System Is Extended.

"During this year, this system was extended to supply Kincardine, Lucknow, Priceville, Ripley, Teeswater and Wingham, and it is proposed further to extend the transmission lines to supply other municipalities at the western limit of the system. These new loads and the increase in the loads of the other municipalities on the system have loaded the Eugenia generating plant almost to capacity, and the commission has now under consideration the matter of obtaining additional power supply for this system."

Concerning the Wasdells system, the report reads:

"The year's results of the operation of this system are most gratifying, and the showing made by the various municipalities, both locally and as a system, was better than for any previous year. Although no large industries were added during the year, every municipality except one established a greater demand than that of the preceding year. Also every municipality on the system, with the exception of one, shows a surplus.

Muskoka System Pays Well.

Of the Muskoka system, it says that both of the municipalities served, Huntsville and Gravenhurst, showed gratifying financial results over the year.

On the St. Lawrence system double the load of last year was distributed. Increase in capital expenditure of approximately \$2,000,000 is contemplated during the coming year. The load on the Rideau system increased 25 per cent. during the year.

Concerning the Nipigon plant in the Thunder Bay system, the report makes the statement that it is expected that before the end of the coming year it will be necessary to install additional capacity in the