

14th

# HYDRO LEGISLATION BRINGS BENEFITS TO MUNICIPALITIES

## Great Savings Reported in Central Ontario System

### PROMISE 14 YEARS OLD

A distinct benefit to municipalities in the Central Ontario Electric Power System is given under legislation introduced in the Legislature yesterday by Hon. John R. Cooke, Hydro Commissioner. The bill provides an extensive saving for municipalities in that district.

Sponsoring the measure Hon. Mr. Cooke recalled the fact that the Province purchased what was then known as the Central Ontario Power System owned and operated by the Seymour Power Company with the object of placing the service on the same basis as the Ontario Hydro. The company was charging a flat rate of eight cents per k.w.h. for domestic service.

#### **Rates Cut in Half.**

Negotiations were conducted by the then Minister of Crown Lands, Hon. G. H. Ferguson, now Premier of Ontario. The purchase price was \$8,350,000 and the Province gave 4 per cent. bonds in exchange. Within a few months the Commission cut the existing rates in half to about four cents per k.w.h.

Continuing, Hon. Mr. Cooke pointed out that the savings in these various municipalities up to 1926, were as follows: Belleville, \$862,202; Bowmanville, \$311,473; Brighton, \$19,860; Cobourg, \$335,454; Deseronto, \$22,583; Lindsay, \$216,193; Millbrook, \$4,245; Napanee, \$218,893; Newburgh, \$27,369; Newcastle, \$14,130; Orono, \$6,062; Oshawa, \$972,972; Port Hope, \$208,006; Trenton, \$252,385; Tweed, \$35,588; total, \$3,507,420.

"Since that the additional saving has been, up to the present time, I would judge, somewhere in the neighborhood of \$1,000,000, or a total saving to date of about \$4,500,000," he said. "But the Commission has done more than that. Although these municipalities did not own the system, had not assumed a dollar of liability or responsibility in any way, nor had they invested five cents either for the distributing plants nor for their own local distributing systems, the Commission went on building up reserves, not to the extent, it is true, that they would have in other systems, which would enter into a partnership at cost, but they had built up substantial reserves to the extent of about \$2,500,000, of which, I think, about \$1,700,000 is in actual liquid assets, all of which the Government now propose to hand over to the municipalities with the system.

#### **Get All Reserves.**

"That is, with its actual physical values and investments, there will also go to the municipalities all the reserves, so that the Government of this Province is keeping today the promise which was made to the municipalities 14 years ago.

"One can see at a glance that, through the operation of the Commission, there have been saved, I say, \$4,500,000 in decreased rates, plus a reserve of \$2,500,000, which is approaching very closely to the actual cost of the system at that time."