

Wednesday, March 30th

RURAL HYDRO USERS TO RECEIVE REBATE ON POWER CHARGES

Refunds Vary From Complete Bills for Eighteen Months in Some Areas to Three Months in Others, But Average for Whole Province Is 20 Per Cent. of Annual Charge

CHANGE FORECAST IN CENTRAL AREA

Amalgamation of Three Systems in Eastern Ontario Is Predicted by Hon. J. R. Cooke—Says Rates in Older Sections So Low as to Encourage Waste, and Thinks Principle Might Be Reconsidered

Announcement of a 20 per cent. rebate to rural power users and the forecasting of the amalgamation of the Central Ontario Power System with the St. Lawrence and Rideau Systems, the deficits of any one part to be accounted for by the whole, and the entire system to be municipalized as in the general Hydro System, was made by Hon. J. R. Cooke, Hydro Commissioner, speaking in the Legislature yesterday on Hydro estimates.

Mr. Cooke defended the recent increase in Hydro rates in areas served by the Central System, and declared that the municipalities involved are still saving hundreds of thousands of dollars, as compared with their expenditures under the Seymour Power Company.

Low Rates Increase Waste.

Describing the Hydro's ability to meet all its obligations, he stated that over three million dollars could be raised at once by the adding of one cent to the rate per kilowatt hour for lighting purposes. He also suggested that when these rates are lowered to less than two cents they tend toward a waste in current in homes and factories.

In his opening remarks Mr. Cooke stated that the Hydro has had under consideration a stabilization of rates fund. This would do away with the necessity of a thirteenth bill each year. Municipal revenues would be adjusted under this proposal in accordance with the power-at-cost principle.

Dealing particularly with rural Hydro affairs, Mr. Cooke announced that the Commission would soon send out between 10,000 and 12,000 letters to individual customers of Hydro rebating about 20 per cent. of their annual charges. There are, he said, 106 rural Hydro districts in a scale, some being lowered to the extent of five cents per kilowatt hour. These rates were then adjusted. Last year it was decided to establish a sinking fund, and to do this it was necessary to raise the rates to produce \$150,000 per year for the sinking fund and \$80,000 for increased interest rates.

"We only heard of the higher rates after the election," said Liberal Leader Sinclair. "Why was the announcement delayed?"

Delayed Good News.

"The debt of this system is part of the general debt of the Province," said Mr. Cooke. "Every one who reads the papers knew a year ago that a sinking fund was to be established. We refrained from making the rural users' rebate until after the election so that the appearance of influence would not be evident."

He noted that under the new rates Belleville saved over \$100,000 over the old contracts. Oshawa in ten years saved \$972,000 over the old rates, said he, and even this year its bill for power would be at least \$100,000 less than under the Seymour Company contracts.

The Minister went on to say that his personal idea was that the St. Lawrence, Rideau and Central Ontario Systems should be amalgamated. Questioned by the Opposition on this, he stated that it would mean the municipalizing of the whole system. A recent deputation, said he, had been told of the project and asked to take over their own distribution systems. Mr. Cooke stated that he would not favor any compulsory move, but thought that municipalities would approve the plan. The services of an engineer had been offered by the Commission to municipalities for purposes of co-operation and advice in connection with the suggestion that municipalities in the Central area take over the distributing systems in the Province, and sixty-two of these would receive rebates in the course of a few days. Some of the rebates would pay for charges over a period of three months; some would pay for eighteen months of charges. While the rebate varied, the average would be 20 per cent. Rebate to Beamsville would pay for fifteen months' charges, to Bond Lake for fourteen months' charges, to Chatham fourteen months', to Dorchester eleven months', to Markham fourteen months', to Ridgetown eighteen months', to Wallaceburg ten months', and to Woodstock for sixteen months' charges.

Stabilization Reserve.

The Hydro held reserves on five systems of \$377,894, said he. "We propose," he added, "to set up 20 per cent. of the cost of operation as stabilization, and that in excess of any returns ever built up in rural areas."

Mr. Cooke continued to refer to rural depopulation, stating that making power available to farmers did much to keep young people on the farms.

He noted that during the last year two and a half miles per day of transmission lines were built, and more than 10,000 miles of lines are now in operation, serving more than 2,000 rural people. To date, said he, more than \$2,000,000 had been spent in bonuses. "That," said he, "is the most profitable investment in agriculture ever made in this Province."

He referred at length to the "Central System," where the plants are owned by the Province but operated by the Hydro-Electric Power Commission. When the Province took over this system all the municipalities were paying the Seymour Power Company 8 cents per kw.h., with the exception of Lindsay and Trenton, paying 7 cents. When the Province bought the system the Power Commission lowered the rates.

Pulp Mill Sold.

The Minister announced that the Campbellford pulp mill, part of the property taken over from the Seymour Company, had been sold. He also hoped that the Peterboro' Street Railway would be disposed of soon.

In reference to the Nipigon, he stated that developments were under way there whereby 19,000 additional men would be employed and an additional population of 100,000 supported.