


**TERRACE BAY NEWS**


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### RISING COSTS FORCE RATE INCREASE

Faced with rising costs and the resultant need for additional revenue, Ontario Hydro announced November 5th, that 1974 rates will be raised for most users of electricity in the province.

Increases in interim rates for municipal utilities, who buy in bulk from Ontario Hydro and in turn supply the majority of Ontario's 2.5 million users, will average 7½ per cent. An average increase in revenue of some 10 per cent is required from retail customers in rural areas, served directly by Ontario Hydro. Rates to a number of industrial plants also served directly by the provincial utility, will be increased to provide an additional 10 per cent in revenue.

Hydro Chairman George Gathercole said, "The new rates are primarily a reflection of strong inflationary forces. Labour rates next year under contract terms will be up substantially while much higher prices for fuel and materials will also push up electricity production costs."

Another factor underlying the new rate structure is the need to provide more capital funds out of current revenue. Over the last few years the proportion from current revenue going toward additional generating and trans-

mission facilities has been declining as a result of higher construction costs and the size of the program. As a result more funds must be generated from revenue in order to reduce the need to borrow capital funds.

"As the rates to most municipal customers are set by their local commissions after taking into account their own distribution costs and the cost of power to them, any rate adjustments will depend on the financial position of each municipal system and other local circumstances," said Mr. Gathercole.

Mr. Gathercole said a number of the 353 local utilities and some industrial customers will obtain relief from the full effects of the increase. For many municipalities the increase will be less than 2 per cent.

"This results from the elimination of a charge for standardization of frequency to 60 cycles from 25 cycles which has been in effect for some 25 years. The total cost of this program will be fully amortized by the end of 1973."

While the average increase is 10 per cent, actual increases will depend on the customer's classification and consumption pattern.

Large industrial plants served directly by Ontario Hydro will also have to provide an overall increase of 10 per cent in revenue to meet increasing costs of providing electrical energy to them. Actual rate increases to each industrial customer will depend on use patterns and to some degree the type of service provided.

"Municipalities in the former Niagara 25-cycle system will have their increases reduced by \$3 a kilowatt next year. Those in Hydro's Eastern and Georgian Bay regions will obtain a reduction of 50 cents a kilowatt in 1974."

## BUSINESS OPPORTUNITY

### TERRACE BAY, ONTARIO

The complete concession located in the Terrace Bay Memorial Recreation Centre, will be available on a lease agreement basis on January 1st, 1974.

Concession includes: Snack Bar, small dining area, smoke shop, arena refreshment booth and a four lane bowling alley.

Interested persons may obtain further particulars by contacting the Recreation Office, P.O. Box 460, Terrace Bay, Ontario.

W.J. Hanley,  
Clerk-Treasurer,  
Terrace Bay, Ontario.

## REMBER

### FURNITURE WAREHOUSE

1201 W. Walsh Street Thunder Bay, Ont.  
(at end of Walsh St., near Airport)

### NEW FURNITURE AT DISCOUNT PRICES

Bedroom, Livingroom, Kitchen Furniture,  
Westinghouse Appliances,  
Wall-to-Wall Broadloom,  
Motel Furniture and Bedding

FREE DELIVERY in NORTHWESTERN ONTARIO