

ciation reserve allocation, and to yield an aggregate net surplus of \$4,277,305 for the year; the other three utilities were able to defray out of revenue all such charges, except \$1,414 of the standard depreciation allocation.

*Rural Electrical Service in Ontario.**—During past years substantial progress has been made in Ontario in the field of rural electrification, and the Commission's rural operations are now an important feature of its work. The Ontario Government, pursuant to its policy of promoting agriculture contributes, in the form of 'grants-in-aid', 50 p.c. of the initial capital cost of distribution lines and equipment. In 1930, the Ontario Government passed legislation providing for advances up to \$1,000 to farm owners of lands and premises in rural power districts for the installation of electrical wiring, the purchase of equipment and providing for the fixing of low maximum service charges for all classes of rural Hydro service.

Uniform Rural Rate Structure.—A new uniform rural rate structure, for the sale of energy, became effective Jan. 1, 1944, for all rural Hydro service in Ontario.

The new energy rates consist of the following three-step energy charge:

- (1) a first block or number of kilowatt-hours of energy consumption in the billing period, charged for at 3.5 cents gross per kilowatt-hour;
- (2) a second block or number of kilowatt-hours of energy consumption in the billing period, charged for at 1.6 cents gross per kilowatt-hour; and
- (3) all remaining kilowatt-hours of energy consumption in the billing period, charged for at 0.75 cents gross per kilowatt-hour.

In addition, the service charge in use prior to Jan. 1, 1944, has been eliminated in the case of farm and commercial service, reduced by 50 p.c. in the case of hamlet service and changed to an annual fixed charge in the case of summer service.

Farm Rate.—More than 95 p.c. of the farms receiving Hydro service are served at the minimum demand rating for billing purposes of 3 kilowatts. This is a 3-wire service with a fuse rating of 35 amperes on each side of the neutral. There is no service charge for farm consumers. The first energy rate of 3.5 cents per kilowatt-hour applies to the first 60 kilowatt-hours per month. The second energy rate of 1.6 cents per kilowatt-hour applies to the next 180 kilowatt-hours per month. For all remaining energy consumption in the billing period the rate is 0.75 cents per kilowatt-hour.

The minimum bill is \$2.25 per month. A prompt payment discount of 10 p.c. is made on the total bill.

* Legislation passed concerning rural power is as follows: the Power Commission Act (R.S.O. 1937, c. 62); the Rural Hydro-Electric Distribution Act (R.S.O. 1937, c. 64); the Rural Power District Loans Act (R.S.O. 1937, c. 65); and the Rural Power District Service Charge Act (R.S.O. 1937, c. 66).

20.—Electrical Service to Rural Power Districts Operated by The Hydro-Electric Power Commission of Ontario, Years Ended Oct. 31, 1944-48

Item	1944	1945	1946	1947	1948
Rural operating areas..... No.	120	121	92	92	97
Townships served..... "	467	468	469	473	497
Customers..... "	146,633	159,608	177,605	196,506	230,760
Primary distribution lines..... miles	21,023	22,309	23,663	24,374	29,532
Power supplied..... h. p.	100,514	128,345	164,424	195,515	205,916
Revenues from customers..... \$	5,666,392	6,094,010	7,203,192	8,451,058	9,762,049
Total expenses..... \$	5,235,814	5,795,063	7,146,610	8,360,570	9,763,736
Net surpluses..... \$	430,578	298,947	56,582	90,488	-1,687
Capital invested..... \$	41,257,200	44,536,481	49,296,971	55,126,269	67,596,984
Provincial grants-in-aid..... \$	20,426,487	22,022,424	24,391,821	27,192,870	33,380,778