

system coincident with the time of the Montreal primary peak; it also includes purchases of power from other power producers. The distribution of primary power to systems of Hydro-Quebec on the day of primary peak in 1963 was as follows:—

<i>System</i>	<i>Primary Power</i>	
	kw.	hp.
Main System—		
Southwestern Quebec—		
Montreal Metro area.....	1,768,000	2,370,000
Beauharnois local.....	204,000	273,000
Ontario Hydro.....	186,000	250,000
Cedars Rapids Transmission Company.....	56,000	75,000
Northeastern Quebec—		
Cote Nord, Lower St. Lawrence River.....	118,000	158,000
Chibougamau region.....	26,000	35,000
Gaspe region served jointly by Hydro-Quebec and its subsidiary, Lower St. Lawrence Power.....	86,000	115,000
Northwestern Quebec System (incl. Northern Quebec Power and Gatineau Kipawa system).....	132,000	177,000
Territories served by the subsidiaries: Shawinigan, Quebec Power, main Gatineau system, Southern Canada Power, and Saguenay Electric.....	3,119,000	4,181,000
TOTALS.....	5,695,000	7,634,000

Ontario.—The Hydro-Electric Power Commission of Ontario is a corporate entity, a self-sustaining public enterprise endowed with broad powers with respect to the supply of electricity throughout the Province of Ontario. Its authority is derived from an Act of the Provincial Legislature passed in 1906 to give effect to recommendations of earlier advisory commissions that the water powers of Ontario should be conserved and developed for the benefit of the people of the province. It now operates under the Power Commission Act (SO 1907, c. 19) passed in 1907 as an amplification of the Act of 1906 and subsequently modified from time to time (RSO 1960, c. 300, as amended). The Commission may have from three to six members, all of whom are appointed by the Lieutenant-Governor in Council. Two commissioners may be members of the Executive Council of the Province of Ontario.

The basic principle governing the financial operations of the Commission and its associated municipal utilities is that electrical service is provided at cost. The Commission interprets cost as including payments for power purchased, charges for operating and maintaining the power supply facilities, and related fixed charges. The fixed charges represent interest on debt, provisions for depreciation, allocations to reserves for contingencies and rate stabilization, and the further provision of a sinking fund reserve for retiring the Commission's capital debt. While the enterprise from its inception has been self-sustaining, the province guarantees the payment of principal and interest on all bonds issued by the Commission and held by the public. In addition, the province has materially assisted the development of agriculture by contributing under the Hydro-Electric Distribution Act toward the capital cost of extending rural distribution facilities.

The entire provincial area served is regarded for financial and administrative purposes as a unit, but there is no electrical connection between the Commission's facilities in north-western Ontario and those serving customers in the remainder of the province. Statistics are therefore presented for two operating systems, the East System and the West System; the systems respectively serve the areas east and west of a line extending north from Lake Superior to the Albany River, a line that roughly conforms with the boundary dividing Thunder Bay District from the Districts of Algoma and Cochrane. Service is provided for the most part on a co-operative basis, and predominantly for the benefit of more than 350 municipalities supplied by the Commission with power at cost.