

miles of land as well as exclusive hunting, fishing and trapping rights on an additional 60,000 sq miles; the native people will participate in administering and controlling a hunting, fishing and trapping region throughout the area. Provision is also made for local government, native economic development and environmental protection. In addition, the Inuit and Indian people will receive a tax-free grant totalling \$150 million, of which \$75 million must be paid in the initial 10 years, with the balance to come from royalties on the hydro development.

The Abitibi region of the province is electrically isolated from the rest of the Hydro-Québec system but will be linked through the James Bay transmission facilities by 1980. To provide additional generation for rapidly increasing short-term needs, three 60-MW gas turbines will be added at Cadillac in 1976. The region is interconnected with the northern Ontario system and plans are being made to purchase energy from Ontario by 1977.

Projects under consideration include hydro sites on the Saint-Maurice River and a pumped storage site at Lac Saint-Joachim, 30 miles below Quebec. Preliminary studies have been made of other pumped storage sites and of undeveloped hydro sites along the north shore of the St. Lawrence River (Magpie, Sainte-Marguerite, Moisie rivers) and in the Lac Saint-Jean area.

Hydro-Québec estimates that the demand for electric energy will increase by 7.8% a year during the 1974-85 period. Financing for over 15,000 MW of new capacity to meet this demand will require large capital investment and to ensure adequate internal generation of funds, a three-year plan of rate increases has been submitted to the Quebec government. Subject to export licensing an agreement has been developed involving supply of surplus energy to the Power Authority of the State of New York (PASNY) up to 14.4 billion kWh during the period 1977-81 via a proposed 765-kV interconnecting transmission system; the agreement provides the right to recall any energy needed for Quebec's own use. From 1982-97, according to the agreement, PASNY may make annual purchases of 3 billion kWh with provision for purchase of an equal amount during the winter by Hydro-Québec. This exchange recognizes the seasonal differences in demand between the Canadian and US utility systems.

Ontario. Most of the electric power produced in the province is generated by The Hydro-Electric Power Commission of Ontario. The province's largest hydro-electric generating station is located on the Niagara River at Queenston, where the Sir Adam Beck-Niagara generating stations Nos. 1 and 2 and the associated pumped storage-generating station have a combined capacity of 1,815 MW.

Ontario has more thermal capacity than any other province in Canada; capacity installed at the beginning of 1974 was 10,800 MW, about 54% of the national total. Ontario Hydro's Lakeview station at Toronto is Canada's largest thermal generating station with an installed capacity of 2,430 MW. The Lambton station near Sarnia reached its designed capacity of 2,000 MW in 1970. Except for the oil-fired Lennox station (near Kingston), Ontario's fossil-fuelled thermal plants were all built for coal-firing. The R.L. Hearn plant in Toronto was subsequently converted to burn natural gas.

The East and West Systems, formerly separate operating entities, were fully integrated in 1970 and, although the capacity of the interconnection is a limiting factor in the exchange of power, the combined facilities form a unified provincial network. For general day-to-day operations the province is divided into seven regions, with regional offices located in major municipalities.

The primary concern of the Commission is the provision of electric power by generation or purchase to more than 350 electric utilities for resale in municipalities having "at cost" contracts with the Commission. The Commission also supplies power in bulk to direct customers, mostly industrial consumers whose requirements are so large or so unusual as to make service by local municipal utilities impracticable; these include mines, industries in unorganized areas, and certain interconnected systems.

In addition to these operations which represent about 90% of its energy sales the Commission delivers electric power to retail customers in rural areas and in a small group of 15 municipalities served by Commission-owned local distribution facilities. However, retail service is generally provided by municipal electric utilities, owned and operated by local commissions which supply consumers in most cities and towns, many villages and certain