

company there now estimate, that the total burden on Vancouver will be in the order of a million dollars a year due to the difference in the routes. That is, for Vancouver and the surrounding territory. It is a very hard thing to figure exactly but it will be somewhere between \$700,000 and \$1,200,000 that they will have to pay extra year after year.

By Mr. Ferguson:

Q. Assuming the communities between Vancouver grow up, would that not reduce the cost? I do not understand that question? If the pipe followed an all-Canadian route and the communities along that route grow up, would that not reduce the Vancouver cost?—A. It would reduce it just exactly the same as the Vancouver rates.

Q. So there is a possible reduction in the future rate along the line, not simply to Vancouver?—A. The same thing could apply if it was going through Washington and that community grew. It would lower the cost for everybody when you have a line here.

Q. You have to make so much money out of the entire line?—A. Yes, and where we sell it we are regulated by two governments, two states, and two provinces, and we certainly will not have a chance to charge more for the gas than we should.

By Mr. Green:

Q. If you use the all-Canadian line then the American cities of Seattle, Tacoma, and Portland would have to pay more than Vancouver, would they not?—A. If you use the all American line?

Q. No, the all Canadian line?—A. Well, you can look at it this way: Less than a quarter of the gas will be sold in Canada, that is generally admitted.

Q. Over three-quarters of it is to be sold in Washington?—A. Sold outside of Canada. Now, we are regulated in the United States, and whether or not the Federal Power Commission would allow any gas to come into the United States if there was a big differential against the States, I do not know.

Mr. GREEN: Well, you certainly would not make Vancouver pay as much as Seattle or Portland if they were at the end of the line?

The WITNESS: Ordinarily it makes no difference. Spokane, Seattle, Portland and Vancouver all pay the same. It would be the ordinary method of calculating the cost of gas.

By Mr. Ferguson:

Q. Would that be regardless of the route?—A. Regardless of the route. That is a principle that has been almost universally applied in the United States. Those who are located nearer the source and a short distance away, say that they should get a lower rate but as you know the cost of gas depends on the amount of gas you carry because you can carry a very large volume of gas at a great lower unit than you can a small quantity. Therefore, taking this cost Portland would have as much to do with the total load and the total cost and the overall expenses as Spokane, say, which is the nearest point.

By Mr. Prudham:

Q. Would that apply to Alberta consumers as well?—A. Well, the Alberta consumers are in a different category.

Q. Alberta consumers using the Grid system?—A. We do not expect to supply any consumers direct. We expect to supply them at the city gate.

Q. All right—to the company that supplies it to the consumers then?—A. That will be regulated by the Alberta Public Utilities Commission.