

Mr. HERRIDGE: Would you read that, Mr. Higgins?

Mr. HIGGINS: These conclusions, which come straight out of that report, I have listed in my own sequence, which more or less follows the international Columbia river engineering board sequence:

1. The Dorr diversion plan produces the lowest cost incremental power—about \$36 per kilowatt less than the non-diversion plan and about \$33 less than the Copper creek diversion plan.
2. The inclusion of High Arrow slightly reduces the cost of incremental power in all plans.
3. The Copper creek diversion plan produces the most costly increment of power in the United States, and the least costly increment of power in Canada.
4. The least costly increment of power in the United States comes from the Dorr diversion plan.
5. The non-diversion plan produces the most costly increment of power in Canada.
6. Inclusion of High Arrow in any of the plans provides no net increase in the 20 year output in Canada, but increases the critical period average output by 27 megawatts.

Mr. MACDONALD: Mr. Higgins, did I understand you to say that these are not direct quotations from the conclusions in the report? Did I understand you to say that these are not direct quotations but your own?

Mr. HIGGINS: I said the order in which the conclusions appear may not reflect the order in which they appeared in the I.C.R.E.B. report but, I believe, the quotations are correct.

Mr. MACDONALD: They are verbatim, are they?

Mr. HIGGINS: I believe so. I continue:

6. Inclusion of High Arrow in any of the plans provides no net increase in the 20 year output in Canada, but increases the critical period average output by 27 megawatts. In the United States, however, High Arrow adds about 164 megawatts to the critical period average output and 196 megawatts to the 20 year average output. The net result of including High Arrow is that until costs of incremental power output are increased in Canada and decreased in the United States.

In respect of this I would like to refer you to page 99 of the blue book. One of the useful things about the I.C.R.E.B. report is that the only difference between the A sequences and the sequences which do not have the designation A is that High Arrow is in the ones which are described in VII, VIII and IX and is out of VIIa, VIIIa and IXa.

The I.C.R.E.B. assumes that the system is fully developed with all the storage assumed to be added at the same time; in other words, High Arrow does not have a first added position as it does under the treaty, but the 20 year output is 164 megawatts from High Arrow.

I invite your attention to the energy entitlement at page 99. If you look at the energy entitlement under the high load forecast and the energy entitlement under the low load forecast for the years 2002 to 2003 you will see 141 megawatts and 163 megawatts. I would like to pose a question for the committee to consider in its deliberations, the question being just how these two estimates can be reconciled, namely the I.C.R.E.B. with Arrow added, not first added, but simultaneously, when all the other storages increase the average period output by 164 megawatts, and yet the total energy benefits from Arrow to Canada