

REPORT AS TO ELECTRIC LIGHTING IN PEMBROKE.

BELOW will be found a copy of the advisory report of Mr. Roderick J. Parke, E.E., submitted to the municipal council of Pembroke, Ont., regarding electric lighting. Mr. Parke was retained by the Council to assist them in overcoming a difficulty with the Pembroke Electric Light Company, and in that connection to furnish estimates of the cost of a municipal plant. The report is a particularly interesting one, and although taking a neutral standpoint, is none the less valuable :

In formulating this report, advising you as herein, I assume a strictly neutral standpoint between the two principals concerned, namely, the citizens or corporation of Pembroke, represented by your honorable body, and the Pembroke Electric Light Company, controlling the supply of electrical illumination in Pembroke. This position I take upon my own responsibility, as in taking it I can the better assist and advise you toward the attainment of the most desirable results in dealing with the company, while at the same time respecting its lawful rights, as you desire to do. It is not my intention to interfere with the rights or operations of the company, beyond that degree affecting the just and legal rights of the corporation of Pembroke. This point I desire to draw particularly to your attention, as on this basis alone is this report submitted, and on the same basis must all negotiations be conducted or actions taken by yourselves or by any other duly authorized representative of the corporation, whether negotiating with the company regarding an extension or continuation of its contract, or whether concerning the purchase and installation of a corporation plant.

The estimates herewith submitted show, firstly, the cost of purchasing and installing an electrical plant as part of the water-works plant now owned by the town, this electrical plant to be capable of supplying both street and private illumination services of sufficient extent to meet the probable requirements of the town, with provision for an increase in capacity should such be made necessary through a considerable increase in population ; and, secondly, the approximate cost per annum of thirty arc street lamps of 2,000 nominal candle power each, the approximate cost per lamp per annum of 16-candle-power incandescent lamps for house and store illumination, both services operated in conjunction with the water-works system, and finally, the approximate charges necessary to be asked for private illumination service in order that the revenue therefrom may be sufficient to provide free street lighting and at the same time cover all expenditure in connection with the incandescent system. Your attention is respectfully called to the fact that the estimate of cost of installing the street lighting plant includes an ultimate capacity for fifty lamps of 2,000 nominal candle power, and further provides for the adoption of a much more economical type of lamp than the one now in use on the streets of many towns and cities, and one capable of furnishing a much more satisfactory, better diffused, and steadier illumination than can be furnished by the older type.

Your attention is further called to the fact that the estimate of operating expenses and approximate necessary revenues is based on the operation of the electrical plant as part of the water-works system, which necessarily places the municipal electrical plant at a considerable advantage over that of the company, owing to the possibility of eliminating and dividing certain expenses among the street, private incandescent, and water-works systems.

Where no industrial system or service has already been established in a municipality, and that municipality desires to undertake to supply itself with any or all of these services, the question of control or ownership, private or public, can of course be more easily dealt with, but in the case of Pembroke, where we find that a private plant has already been installed and is now in operation as any other commercial enterprise, controlled by, and therefore involving more or less, private capital, justice demands that the owners thereof shall receive due consideration, such consideration, however, to be secondary to that due the majority of tax-paying citizens as a whole.

While the estimates given show approximately, and within as close a degree of accuracy as can be, what the town can do for itself in the event of installing and operating a municipal plant, it must be borne in mind that the same plant or system under private control cannot reasonably be expected to supply illumination for the same relative cost to the taxpayer, on account

of requiring a larger staff of employees, hence heavier operating expenses, and, having as well to fulfill the intention for which the system is created, namely, payment of dividend on the capital invested therein. In view of the fact, therefore, that vested interests demand fair consideration and an opportunity for self-protection in your town, the following advice is respectfully offered, in the full belief that your hearty co-operation in it will be assured so long as there is a reasonable chance of the interests of the citizens as a whole being properly protected :—

I would advise : Firstly, that the Pembroke Electric Light Co. be asked to confer with your honorable body at some mutually convenient time, with a view towards endeavoring to come to an understanding along the lines concerning the rates for incandescent lighting for private consumers, as described under Estimates of Operating Expenses, sec. (c), Combination Services, sec. (d), Rates and Revenues ; and, further, with a view toward arriving at some definite annual charges for street lighting, at so much per given candle power of lamp per annum, both street and private rates to be compatible with the payment of a reasonable dividend, (specific), on that amount of capital actually necessary to install the same capacity in a municipal plant, together with the bona fide operating expenses of a municipal system having therein the highest efficiencies obtainable in electrical, steam, water-power, transmission and translating devices, such as generators, engines and boilers, water-wheels (if water-power be adopted), distribution lines, transformers, and arc lamps. In connection with the subject of bona fide expenses, I would advise your insisting, with all due deference to the company, that all books, office records, vouchers, etc., in relation with the actual operation of the system be constantly accessible to the duly authorized representatives of the corporation. Secondly, that the company be required to enter into an agreement in proper form, with the corporation, concerning the basis on which future charges shall be calculated as the demand for lighting increases throughout the town, during the term of the agreement or contract.

I would further advise that the corporation guarantee the company a full and absolute protection from other competition, municipal or private, during its faithful compliance with the terms and conditions of the agreement, this protection to be guaranteed through the contract covering a period of not less than five years, nor more than ten years.

In order that the circumstances surrounding the respective positions of the corporation and the company may be the more readily understood and appreciated by yourselves, the company, and the citizens, the following considerations must be allowed their full value in each case :

(1). Any municipality has an equal right with the private purchaser or consumer to obtain the supply of any commodity or article having a commercial value, from that source which can or will supply such article at highest attainable quality and lowest cost to the purchaser.

(2). A municipality, having the right and power to not only purchase its industrial services and supplies from the most reliable, convenient, efficient and economical sources, but to undertake to supply itself with such services under municipal ownership and control, thereby affording to its citizens, under proper management, a service at lower cost than that afforded by the privately owned system, would most certainly be unlikely to knowingly choose the more expensive source of supply. Therefore, if it grant protection to a private enterprise, allowing it to exist as a monopoly within the limits of the municipality, it has every legal right to insist on being supplied with a service as efficiently and as economically as can possibly be obtained through any other private source or system operating under similar circumstances or comparative conditions. The private enterprise accordingly owes its existence in a very large measure to the good will of a majority in the municipality. If the private company will not supply the best services obtainable under the existing conditions, or under remedied conditions, and at the lowest consistent cost to the consumers compatible with a fair return on the capital invested, then the municipality can with justice take such action toward bettering the conditions as it may deem advisable, whether by cancelling all rights and privileges accorded the company and granting a franchise to any other company or body capable of and willing to undertake such supply, or by entering into the manufacture and sale of the service on its own account.

The corporation of Pembroke has, therefore, a legal right to deal as may seem best with the Pembroke Electric Lighting Company in the interests of the citizens as a whole. If the company will