

United States statement: 3.75 mills per kilowatt hour (The relevant details are that this figure is in United States currency, for power at 60 per cent load factor and leaves out of consideration the payments for the flood control service).

Change 3.75 mills (United States) to Canadian funds =
 $3.75 \times 1.08 = 4.05$ mills per kwh (Can.).

Load Factor Adjustment: While the United States have quoted their price at a 60 per cent load factor, the actual benefits sold to the United States do not occur at this load factor but at an average load factor of about 48 per cent. More capacity is involved at that load factor for which United States payment is required. To arrive at the payment to be made the values that have been established for "capacity" and "energy" respectively have to be taken into account.

The figures underlying the United States calculation are \$5.50 per kilowatt per year for capacity and 2.7 mills per kilowatt hour (\$23.65 per kilowatt year) for energy. These values are in United States funds and are equal to \$5.94 (Can.) per kilowatt per year for capacity alone, and 2.92 mills (Can.) per kilowatt hour (\$25.58 per kilowatt year) for energy alone. The following examples indicate how the figures apply in relation to 48 per cent load factor power as compared to 60 per cent load factor:

60 per cent load factor

1 kilowatt year of energy at	\$25.58 per kilowatt year
requires $\frac{1}{.6} = 1.67$ kilowatts of	
capacity at \$5.94 per kilowatt =	<u>9.92</u>
Total value of power =	\$35.50 per year for
1 kilowatt year of energy with the amount of capacity required	
to enable it to be drawn on a 60 per cent load factor basis.	

On the basis of 8760 hours in a year, the above value in kilowatt hour terms is, therefore, $\$35.50 \div 8760 = 4.05$ mills for every kilowatt hour of energy at 60 per cent load factor.

48 per cent load factor

1 kilowatt year of energy at	\$25.58 per kilowatt year
requires $\frac{1}{.48} = 2.08$ kilowatts of	
capacity at \$5.94 per kilowatt =	<u>12.36</u>
Total value of power =	\$37.94 per year
for 1 kilowatt year of energy with capacity required on a	
48 per cent load factor basis.	