Northern Ontario Pipe Line Corporation

Mr. Howe (Port Arthur): Save your efforts for another attempt to be disciplined by the Speaker.

An hon. Member: Is that a threat?

Mr. Fulton: Is that a threat?

Mr. Howe (Port Arthur): You have tried, but it did not work. Has my hon. friend any questions he wants to put to me now?

Mr. Coldwell: Are you not going to tell us what a load factor is? Quite frankly, I do not know.

Mr. Howe (Port Arthur): Gas delivered at 100 per cent load factor provides that if 100,000 cubic feet of gas per day are bought at 100 per cent load factor then the customer must pay for 100,000 cubic feet taken every day regardless of whether he takes it or not. It is very difficult for any organization, except a large distributing system, to buy gas at 100 per cent load factor. The Tennessee Transmission contract calls for gas delivered at 95 per cent load factor and, as I remember it, the city of Winnipeg contract provides that gas will be delivered at 30 per cent load factor.

Mr. Stewart (Winnipeg North): Sixty per cent.

Mr. Rowe: Will the minister permit a question?

Mr. Howe (Port Arthur): Winnipeg buys at a load factor of fifty per cent and then 60 per cent.

Mr. Rowe: I would like to ask the minister a question. It is certainly understood that 100 per cent load factor would be lower. Will he give the average cost, the average price throughout?

Mr. Howe (Port Arthur): The average of what?

Mr. Rowe: The average rate.

Mr. Howe (Port Arthur): To whom, the distributing company?

Mr. Rowe: Yes.

Mr. Howe (Port Arthur): The average rate to the Union Gas Company, if you like.

Mr. Diefenbaker: The average rate all the way through, as put out by your own pet company.

Mr. Rowe: You might as well give them as the other. Take the lid off.

Mr. Hodgson: The boys can give it to you; that is what they are there for.

Mr. Howe (Port Arthur): To give the average across the country you have to make adjustments for transmission costs. But the average over the life of the 20-year contract at Winnipeg is 28·3 cents. Over the 20-year contract at Emerson the average is 29·34 cents.

Mr. Stewart (Winnipeg North): There has been a lot of confusion about these prices. I wonder whether the minister would be permitted to place on the record these prices, which at least appear to be definitive. There are at least four sets of figures that I know of giving the price of gas. The minister's figures are the latest and I assume they are the final ones. I think it would be of interest to members of the committee at this time if they could be placed in *Hansard*.

Mr. Howe (Port Arthur): With the permission of the committee I will be very glad to do that. I have the rates here.

The Deputy Chairman: Just for clarification, may I ask what these figures are? They were prepared by whom?

Mr. Howe (Port Arthur): They are the revised figures prepared by Trans-Canada and on which contracts for the sale of gas by Trans-Canada are being arranged at the present time.

The Deputy Chairman: Is it the unanimous wish of the committee that these figures be included in *Hansard*?

Some hon. Members: Agreed.

Mr. Howe (Port Arthur): The rates follow:

Contracts With Canadian Distributing Companies (except special case, Union Gas Co.)

All contracts are for a 25-year period, with prices for the full period of the contract, without escalation. (Prices to U.S. customer, midwestern, increase about one per cent per 1,000 cubic feet at end of each 5-year period). Canada divided into six "rate zones", with rates equal for all customers within each zone. Distributors in each zone have choice between four schedules of general service rates, dependent upon the "load factor" each believes he can achieve in the type of market he serves, these being rate "A" (minimum load factor 75%), "B" (minimum load factor 63%), "C" (minimum load factor 50%), and "D" (minimum load factor 37%). A predominance of "space heating" market (winter sales) involves a low load factor. Year-round sales to industry, and interruptible sales to industry during summer months, make possible higher load factors, and hence lower average cost of gas to the distributor. Load factors will therefore vary widely between markets of the various distributors in each "rate zone", thus affecting the delivered cost of gas to each type of customer in the several markets. Following are examples of the actual average cost per MCF of gas that would be delivered by Trans-Canada at the distributors' gates in each rate zone, under the various load factor schedules (A to D) on firm contracts, together with the special rates for off-peak interruptible summer sales to the distributors in each rate zone.