

or the use of the current for a longer period. When you make the price for the excess over the first hour per lamp per day small, the user does not feel the necessity of economizing and cutting off the light, that is, he feels he can burn another hour with very small cost, and that encourages, therefore, long burning. On the other plan the man realizes he is paying for the current he actually consumes and a small amount to excess to make the total price less per hour when he uses more current.

Mr. Fisk: When you have a number of customers and varying loads on one transformer, how do you arrive at it then?

The President: We undertake to determine the maximum transformer capacity of each customer and rate him accordingly for the transformer energizing term.

Mr. Bilger: Do you give the customers a chance of changing to either one or the other of these methods?

The President: Not after he has made his contract, we have that determined at the beginning, and I may say we try to point out to the customer what the effect of the different plans would be.

Mr. Wyse: Do you endeavor to put all your customers on contract?

The President: We have none that are not; we won't take a man that is not.

A. A. Wright: How long is your contract made for?

The President: We have nearly 2000 for five years and none less than one year. We will not take a contract for less than one year, except that which is known as temporary service, and for temporary service the customer pays the cost of installing and the cost of removal, and then ordinary current rates if the service is in the summer; if it be at the time of our heavy load in the winter, we make him a special price. We take no one without a signed contract.

A. A. Wright: What do you mean by removal?

The President: The cost of removal of the installation. Suppose a man wants to put up 100 or 200 lights for illuminating, he has to pay the cost of putting up and taking down.

A. A. Wright: That is when it belongs to you.

The President: Yes. We don't wish to give a customer the right to withdraw at any time he pleases; we must formulate and arrange our business so that we know what we have in sight, what we can prepare for; the question of competition does not enter into it at all; when we make arrangements to supply a man we want to make arrangements to supply him for a given period of time, and that period of time we know, and it is fixed by contract.

Mr. Wyse: Doesn't competition enter into it very materially then, though indirectly, because if you didn't have any contract he would have the right to go to a competing company at any time?

The President: A more important feature would be that he would have the right to give up using the service and go to candles if he wanted to.

Mr. Wyse: If there wasn't some competing company that could give an equally good service, say for instance in electric light, there wouldn't be any inducement for him to change.

The President: Perhaps I might better say that it is competition, because it is competition from candles. A man who is not under contract with you and is dissatisfied either with fancied error in his bills or the personality of the manager, may in revenge give up the use of the light, and if he cannot get gas, burn kerosene oil and candles; in fact, we had one case in Montreal where a man wouldn't pay the price we asked him for some temporary purpose who said he would go back to candles rather than burn electric light, and he did, as a matter of fact. The purpose is to hold your business in hand for a certain specified time.

Mr. Wyse: And against any or all competition.

The President: It has that effect.

Mr. Bilger: How would that act with a customer who was put out of his premises.

The President: We endeavor in taking a customer to ascertain his financial status, and if he would be such a one as would be likely to be put out for non-payment of rent, we request him to provide a deposit sufficient to cover about two months' use of his service.

Mr. Dion: In the case of a man discontinuing the light through no fault of his own, having to leave town or something of that sort, do you enforce the contract strictly.

The President: No, we do not. Where a man honestly is unable to carry out the contract, we exercise the discretion

of waiving our rights, but the object of the contract and the contract throughout all its phraseology is intended to protect the company against wrongdoers, and not against the man who wants to act honestly. I may say that we have customers who object to signing our formal contract on the ground that it is too restrictive in favor of the company, but by calling their attention to the fact that it is only restrictive as against those who want to be dishonest, every reasonable man accepts it.

Mr. Noxon: Is your five year basis upon the same basis as the one year, or does it anticipate the probability of reduction in rates before the end of that period? Is there any anticipation or provision for that?

The President: The five year contracts are fixed for five years at that rate; the five year contracts are, as I say, on either of the two basis that I spoke of, so much for the first hour per lamp per day and a very small amount in excess of that, or transformer energizing current and a small revenue. The single rate contracts are all subject to change in price.

Mr. Noxon: In consideration of a man giving a fixed contract for five years, would you make any reduction in the price for the five year term over and above the price for the one year term?

The President: Yes, these rates I speak of are a reduction.

A. A. Wright: What do you mean by the first hour?

The President: The first hour per lamp per day means the first ampere hour of use, or the first 50 watts hour of use, and it is arrived at in this way. An installation of say 25 lamps should register the equivalent of 25 ampere hours per day. At the reading at the end of the month we will say that the reading of the meter shows that the number of hours is 1200, one hour per lamp per day times 25, or 30 times 25 would be 750 ampere hours to be charged for at the rate of the first hour, and the difference between 750 and 1200 at the lower rate.

A. A. Wright: That causes some labor.

The President: Not very much labor. It is one calculation for the year or one calculation for five years. You have 25 lamps and 750 hours, and that is simply noted on a man's account, or rather 750 hours is charged for at the first price and anything in excess of that is charged at the other rate.

Mr. Fisk: How do you keep informed as to the actual number of lamps a man has?

The President: We endeavor to do that in several ways. Where customers have lamps added, as they frequently do, we endeavor to establish the rule, and for their own protection to guard them against being out of a service, to notify us of that addition, and we have made a great many of our customers think that it is to their advantage as well as to ours that they should give us that information, but it frequently happens that they forget it or they do not do it, therefore we periodically make a recount of the lamps in the customers' premises, and our lamp renewing man and our meter readers are cautioned to look out for anything in the way of new work since their last visit.

Mr. Wyse: May I ask how often your meters are read and the bills rendered?

The President: Every month.

Mr. Dion: Mr. President, we have had a good deal of information about your company which is very useful, I would like very much to hear from Mr. Wright, of Toronto, representing a large city, as to meter rates there.

J. J. Wright: If you have any questions to ask I shall be glad to answer them. We have simplified the matter in Toronto very greatly, and at the same time we have the advantage in that way of the demand system, by separating the commercial lighting from the residential lighting, and making two discounts, very largely in favor of the residences. We allow 40 per cent. for commercial premises and 60 per cent. for residential premises, for this reason, that the man at the residence is the long hour burner; he burns his lights every night in the year and for three or four hours per night, probably, whereas the man in the store closes at five or six o'clock and burns his lights only for about a month or two in the winter time, and that only for an hour probably, therefore we make the discount so much greater for residences.

The President: Except when he is off on his vacation.

J. J. Wright: The meter goes just the same. (Laughter.)

A. A. Wright: That would not apply to a barber or men of that kind that burn their lights till 12 o'clock at night.