

Northern Ontario Pipe Line Corporation

Rate Zone:	Price per MCF at load factor of:						Seasonal Off-peak		Excess Gas Interruptible:	
	100% A:	75% A:	63% B:	50% C:	37% D:	30% D:	A-B:	C-D:	A-B:	C-D:
Saskatchewan	21.3c	22.4c	24.2c	26.6c	29.8c	36.8c	23c	24c	19.5c	19.5c
Manitoba	26.0c	28.3c	30.9c	35.0c	40.9c	50.4c	25c	26c	18c	22.5c
Western Ontario (Man.-N. Nipigon)	34.5c	37.7c	41.1c	46.5c	54.8c	67.6c	30c	31c	25c	27c
North Ontario (Nipigon-Cobalt)	43.0c	47.5c	51.8c	59.0c	69.9c	82.2c	35c	39c	29.5c	29.5c
Central Ontario (Cobalt-Whitby)	44.5c	49.3c	55.5c	61.4c	77.5c	95.6c	35c	36c	30c	32.5c
Eastern Zone (Whitby-Montreal)	46.6c	52.1c	57.4c	65.7c	78.9c	97.3c	35c	36c	30.5c	33c

Approximate cost of Canadian gas to distributors at gates of major cities to be served:

City	Contracted Gas at		Seasonal Off-peak:	Excess Gas Interruptible:
	Expected Load Factor—MCF:	Factor—MCF:		
Winnipeg (at 60% Load Factor)	32.9c		25c	18c
Toronto (at 75% Load Factor)	49.3c		35c	30c
Montreal (at 75% Load Factor)	52.1c		35c	30.5c

All the above are general service rates. As of May 1, 1956, special industrial rates are available which will reduce the above rates according to the proportion of firm industrial sales in the load pattern of the utility entering into a contract with Trans-Canada.

Special contract sale at Emerson, Manitoba, to Midwestern Gas Transmission Company Contract No. 1, a high load factor, firm sale, "take

or pay" contract for 200,000,000 cubic feet per day, for twenty-five year period. During first three years only, gas may be accepted at Canadian-U.S. border at 75 per cent load factor, with price payable to Trans-Canada 27.27c. per MCF. During balance of contract only 95 per cent and 100 per cent load factors apply. Contract prices for high load factors are as follows:

1st Five Years		2nd Five Years		3rd Five Years		4th Five Years		5th Five Years	
100% LF:	95% LF:	100% LF:	95% LF:	100% LF:	95% LF:	100% LF:	95% LF:	100% LF:	95% LF:
25.08c	25.42c	26.06c	26.46c	27.08c	27.53c	28.07c	28.57c	29.09c	29.64c

Contract No. 2, to take effect only when and if Alberta and Canada authorize export of additional gas reserves surplus to Canadian needs and the U.S. authorizes import, would also be a high load factor, firm sale, "take or pay" contract for 200,000,000 cubic feet per day. Costs to Midwestern for gas delivered to it at Emerson under this contract would be about three cents per MCF higher

than under contract No. 1, and would also increase about one cent per MCF at end of each five years of the 25 year contract. During first three years only, gas may be accepted at 75 per cent load factor, at a price of 31.05c. per MCF. During balance of contract only 95 per cent and 100 per cent load factors apply. The contract prices for the high load factors are as follows:

1st Five Years		2nd Five Years		3rd Five Years		4th Five Years		5th Five Years	
100% LF:	95% LF:	100% LF:	95% LF:	100% LF:	95% LF:	100% LF:	95% LF:	100% LF:	95% LF:
28.04c	28.52c	29.03c	29.55c	30.05c	30.63c	31.03c	31.67c	32.05c	32.74c

Mr. Hamilton (York West): May I ask the minister a question about load factor: What justification is there for calculating the price in Saskatchewan and Manitoba on load factor when a common pipe is being used for the transportation of this gas to Winnipeg?

Mr. Howe (Port Arthur): Mr. Chairman, what is the justification for calculating any price on load factor?

Mr. Hamilton (York West): Certainly, sir, this pipe is a common carrier to that point and the whole benefit to the company is gained from the distribution from that point, and surely in those two areas at least load factor should not be taken into consideration.

[Mr. Howe (Port Arthur).]

Mr. Howe (Port Arthur): Mr. Chairman, no gas pipe line is a common carrier or can be a common carrier. An oil pipe line can be a common carrier because batches of oil can be inserted into the line by a producer, kept intact and delivered at the other end of the pipe line to the producer or to his customer. That is not possible with natural gas, as my hon. friend will know, and no gas pipe line that I ever heard of, and I am sure none on the North American continent, is a common carrier.

Mr. Hamilton (York West): I am not suggesting, Mr. Chairman, at this point, the legal definition of a common carrier. I mean that all of the gas is passing through for distribution from that area; therefore, why