

*Hydro* 130448



Memoranda to Commission

November 7, 1933

Sirs:

Re-Power contract-Coniagas  
Reduction Company Limited

The action in which the Coniagas Reduction Company sought to have it declared by the Courts that their contract made originally with the Falls Power Company, was a perpetual contract, subject only to their right to terminate at the end of any five-year period, has been brought to a conclusion, by the judgment of the Privy Council which held in favor of the Plaintiff's contention.

After the argument in the Privy Council, Mr. Tilley, who argued the case for the Commission, expressed the view that the contract was in essence a contract for a minimum of 150 horsepower, and that this minimum as firm power probably automatically increased with the demand of the Company. If this is so, both the Ontario Power Company and this Commission have made a mistake in billing the Coniagas Reduction Company under it, as the peak of the demand by the Company during its years of active operation, went as high as 800 horsepower, having reached this amount by degrees. If Mr. Tilley's view were correct, the minimum upon which the billing should have been made is