

(ii) diversion projects of the magnitude suggested in the report would not be considered in a period of high interest rate or without special financing arrangements; consequently, annual costs for the studies were computed on the basis of 3-1/2% interest rate with a 60-year amortization period.

(a) Diversions from Mica Reservoir into the Athabaska River

Three alternative schemes were studied for diversion from the proposed Mica reservoir on the Columbia River into the Athabaska River. Estimates of costs were made for a diversion of 4,350,000 acre-feet of water annually. The estimates included the cost of pumping and diversion works through the Rocky Mountains to the Athabaska system. They also included the increment of cost required to transfer this additional water from the Athabaska system to the South Saskatchewan River. The cost estimates, however, did not include any portion of the cost of Mica dam and reservoir, nor did it provide any compensation for losses that would be incurred in the Columbia River Basin as a result of such diversion.<sup>(1)</sup>

Of the three alternative schemes, the annual unit-cost of the lowest cost scheme was estimated to be in the order of \$7.50 per acre-foot of diverted water delivered to the South Saskatchewan system.

(b) Diversions from Surprise Rapids Reservoir to North Saskatchewan River

Consideration was given to a scheme for diversion from a reservoir on the Columbia River above Surprise Rapids into the North Saskatchewan River system. Estimates of costs were made for a diversion of 4,350,000 acre-feet of water annually; and included the costs of

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(1) At 3 mills/kwh, the loss in energy generation alone at existing and potential main stem plants on the Columbia River in Canada and the United States would amount to about \$5.50 per year for every acre-foot of water diverted. Of the \$5.50, \$2.40 would be lost in Canada and \$3.10 in the U.S.