

EVENING SESSION

8.10 o'clock.

COUNCIL CHAMBER, CITY HALL,

August 19th, 1921.

A Special Meeting of the City Council was held this evening at the above named hour; present His Worship the Mayor Parker and Aldermen Colwell, Whitman, Ackhurst, Finlay, Sanford, Bissett, Regan, Schaffner, Cameron, Murphy, Guildford, Scanlon, Ritchie, Power, Mason and Godwin.

The Council was summoned to consider "Hydro-Electric Power".

LIST OF HEADLINES

(For the purpose of ready reference the list of papers submitted and the list of other headlines are all incorporated in one schedule at the end of the meeting).

DAYLIGHT SAVING TIME

Moved by Alderman Power seconded by Alderman Mason that His Worship the Mayor be requested to announce in the newspapers that the so called Daylight Saving Time under which the City has been operating since May 5th, 1921 will cease at midnight on Sunday September 4th, 1921 when all municipal clocks will be advanced one hour and from which time all civic activities will be regulated by Atlantic Standard Time. Motion passed unanimously.

Moved by Alderman Godwin seconded by Alderman Colwell that reports from the Committee on Works re Tenders for Curbs and Gutters and re Street Paving Repairs be now considered. Motion passed.

CURBS AND GUTTERS TENDERS

Read reports Committee on Works and Assistant City Engineer re tenders for Curbs and Gutters.

*Ack  
Recorder  
mail  
echo  
Citizen*

August 19th, 1921.

City Works Office,  
Halifax, N.S. August 19th, 1921.

To the City Council.  
Gentlemen:-

The attached report of the City Engineer recommending acceptance of tender of Stockley Construction Co. for concrete curb and gutter was approved and recommended to Council for adoption at a meeting of the Works Committee held this day.

A.F. Messervey,  
Clerk of Works.

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City Engineer's Office,  
Halifax, N.S. August 19th, 1921.

F.W.W. Doane, Esq.,  
City Engineer,  
C i t y.

Dear Sir:-

I beg to report that in response to an advertisement for curb and gutter two tenders were received as follows:-

	Concrete Curb & Gutter without bars. per Lin.Ft.	Concrete Curb & Gutter with bars Per Lin. Ft.	Setting Granite Curb Per Lin.ft.	Setting Granite For Gutter Overhaul Per L.ft.per Cu.y	
Stockley Construction Co.	\$1.50	\$1.75	\$1.50	\$1.50	\$1.25
N.Dasckallino & Son.	2.00	2.15	1.25	1.05	1.10

It is recommended that the Stockley Construction Co., being the lowest be accepted.

H.W. Johnston,  
Assistant City Engineer.

*Engineer*

Moved by Alderman Godwin seconded by Alderman Ritchie that said reports be adopted. Motion passed.

STREET PAVING REPAIRS.

Read reports Committee on Works and Assistant City Engineer re Tenders for Street Paving Repairs.

City Works Office,  
Halifax, N.S. August 19th, 1921

The City Council.  
Gentlemen:-

At a meeting of the Works Committee held this day the attached report of the City Engineer recommending acceptance of the tender of the Canadian Bituminous Paving Corporation Ltd. for repairs to paved streets, was approved and recommended for adoption.

A.F. Messervey,  
Clerk of Works.

August 19th, 1921.

City Engineer's Office,  
Halifax, N.S. Aug. 19th, 1921

F.W.W. Doane, Esq.,  
City Engineer.  
C i t y.

Dear Sir:-

Tenders were received from the Canadian Bituminous Paving Corporation Ltd., and the Fraser Paving and Construction Co. Ltd., for repairing and renewing the surfact of paved streets.

A comparison of the tenders shows that the tender of the Canadian Bituminous Paving Corporation Ltd., is the lowest, and is recommended for acceptance.

H.W. Johnston,  
Assistant City Engineer.

\* \* \* \* \*

	Estimated Quantities	Canadian Bit. Paving Corporation Ltd. Rate	Canadian Bit. Paving Corporation Ltd. Amount	Fraser Paving & Construction Co. Ltd. Rate	Fraser Paving & Construction Co. Ltd. Amount
2" top 1" binder under 50 sq. yds.	860	\$3.35	\$2,881.00	\$3.96	\$3,405.60
2" top 1" binder over 50 sq. yds.	2030	3.10	6,293.00	3.80	7,714.00
2" top under 50/yds.	340	2.95	1,003.00	2.36	802.40
2" top over 50 sq.yds	1490	2.70	4,023.00	2.24	3,337.60
			\$14,200.00		\$15,259.60

Moved by Alderman Ritchie seconded by Alderman Godwin that said reports be adopted.

Moved in amendment by Alderman Murphy seconded by Alderman Scanlon that the reports be referred back to the Committee on Works and that said Committee make arrangements to do the work itself by days work.

*Engineer*

The amendment is withdrawn.

The original motion is put and passed.

HYDRO ELECTRIC POWER

Read minutes of a meeting held August 18th, 1921 Special Committee on Hydro Electric Power in which is incorporated a majority report of said Committee.

A meeting of the Special Committee on Hydro Electric was held last night in the Mayor's Office, the following members being present; His Worship the Mayor, Chairman, Aldermen Ritchie, Whitman, Regan, Murphy, Godwin. City Engineer Doane, Assistant City Engineer Johnston, City Solicitor Bell, City Electrician Durling, Mr. P. Colpitt. Alderman Godwin, Acting Secretary.

August 19th, 1921.

The Secretary was asked to read the following correspondence between Alderman J.W. Regan and Mr. R.T. MacIlreith, Chairman of the Board of Public Utilities, as follows:-

Halifax, N.S. July 20th, 1921.

Mr. R.T. MacIlreith,  
Chairman Board of Commissioners,  
Public Utilities,  
Technical College, Spring Garden Rd.

Dear Sirs:-

In the event of the City of Halifax undertaking the operating of tramway lines or the distribution of electric energy for light and power, kindly advise if the City will be free to fix rates hours and frequency of service, making extensions etc., without the approval of the Board of Commissioners of Public Utilities.

In short, will municipal operation in regard to rates, service, etc., be in any respect different from private company operation?

In view of the present discussion in Halifax a clear reply will be appreciated.

John W. Regan.

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Board of Commissioners of Public  
Utilities, Halifax, N.S.  
July 22nd, 1921.

Alderman John W. Regan,  
C/o Canadian Investors, Ltd.  
C i t y.

Dear Sir:-

Your letter dated 20th inst. received this morning and in reply to your enquiry I have by direction to say that by Section 2 (a) of the Public Utilities Act, any City, incorporated town or municipality "that now or hereafter owns or may own, operate, manage or control any plant or equipment for the production, transmission, delivery or furnishing heat, light, water or power, either directly or indirectly to or for the public" is defined to be a public utility and as to rates and service, is therefore subject to the regulatory provisions of the Act, the same as a private corporation, furnishing similar service.

There appears to be no legislation excepting the City of Halifax, or any other Municipal corporation operating a public utility in the Province from the regulatory provisions of the Public Utilities Act, and in the absence of such legislation, I have by direction further to say that in the event mentioned in your letter the City of Halifax would be subject to similar regulations as other municipal and private utility undertakings.

L.B. Taylor,  
Secretary.

After some discussion it was moved by Alderman Ritchie that the Committee recommend to Council that the City of Halifax take over the Hydro Power Development. This motion was seconded by Alderman Murphy. Before the motion was put the Secretary was asked to read the Resolution embodied in the Minutes of Council June 16th, 1921 page 160 as follows:

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Alderman Regan submits the following amendment:

RESOLVED the hydro question be referred to a Committee consisting of the Works Committee and Tramway Fares Committee to immediately confer with the Local Government, and with the tramway Company as to the relation of the Hydro question to a satisfactory settlement of the kindred matters of tramway fares, electric light and power rates, street paving and paving litigation and endeavour to ascertain on what terms and under what measure of control of rates the tramway company will undertake to distribution of the hydro; the said Committee to report to Council with the least possible delay and that pending such action under this Resolution that the Power Commission be respectfully requested to not conclude any contract with any private company with respect to Hydro Electric distribution in Halifax.

The amendment is moved by Alderman Regan and seconded by Alderman Power.

Moved by Alderman Murphy seconded by Alderman Scanlon that both the original resolution and the amendment be referred to the Committee on Works for further report. Alderman Murphy's motion is put and lost. Alderman Regan's amendment is put and passed.

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The full report was then read and moved as an amendment by Alderman Regan, seconded by Alderman Whitman.

Halifax, August 18th, 1921.

To Members of the City Council.

Your Special Hydro-electric Committee was appointed by resolution of Council June 16th. as follows:

RESOLVED the Hydro question be referred to a Committee consisting of the Works Committee and Tramway Fares Committee to immediately confer with the Local Government and with the Tramway Company as to the relation of the hydro question to a satisfactory settlement of the kindred matters of tramway fares, electric light and power rates, street paving and paving litigation and endeavour to ascertain on what terms and under what measure of control of rates the tramway company will undertake the distribution of the hydro; the said committee to report to Council with the least possible delay and that pending such action under this resolution that the Power Commission be respectfully requested to not conclude any contract with any private company with respect to Hydro-Electric distribution in Halifax.

Your Committee have gone fully into the matter. They had an initial conference at which the Premier, Honorable Mr. Murray presided. There were present representatives of Nova Scotia Power Commission and Nova Scotia Tramways and Power Co. Ltd., and members of Legislature representing Halifax County. A general exchange of views took place in which the Premier took an active part.

Your Committee had conferences with Nova Scotia Power Commission and with Nova Scotia Tramways and Power Co. Ltd. following which a number of questions in writing were submitted. These have been published.

The reply from the Nova Scotia Power Commission emphasizes several points in regard to the St. Margaret's Bay

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hydro electric development which can be briefly summarized:

The Commission does not think it advisable to consider a shorter contract than thirty years.

The Commission does not favor a lesser price than \$200,000 per annum by omitting sinking fund.

The Commission will sell less than the total estimated development of 20,000,000 K.W.H. at proportionate cost.

The Commission cannot guarantee amount of power to be delivered.

The Commission have decided that in the development of the St. Margarets' Bay Power, they are acting in the capacity of a trustee for the public and the title to the property should be retained for the public.

Several points in the Company's letter are concisely presented as follows:

The Company's power house cost last year was \$321,000; average price of coal was \$8.01 per ton and 17,072,899 K.W.H. were produced. The power house cost per K.W.H. was 1.89¢ excluding taxes, interest charges and depreciation.

The Company offers to distribute the hydro electric current at cost. All rates for light and power to be determined by Board of Public Utilities based upon an independent valuation of company's physical property to be made by said Board.

Such rates to be fixed without reference to the Company's capitalization of issued securities or to earnings or property of other departments of the company other than light and power.

The Company proposes a reduced rate to enable consumers to use electrical appliances without the expense of separate wiring service.

The Company would prefer the City to undertake its own street lighting and would furnish current at cost price same as charged by the Power Commission.

As an alternative the Company would install a modern street lighting system to comply with City's specifications and operate same for ten years at cost with the privileges to the City to take same over at any time at cost price less depreciation.

The Company desires to go ahead with street paving next year if finances can be arranged and suggests a moderate annual paving program for a period of years rather than a large paving program in one year.

The Company considers a contract for a supply of hydro-electric power for twenty-five years is necessary to give the stability to do new financing.

The Company believe they can distribute hydro-electric current more cheaply than the City.

Your Committee calls attention to correspondence between Nova Scotia Power Commission and the Nova Scotia Tramways and Power Co. This correspondence indicated the purpose of the Nova Scotia Power Commission to see that the hydro electric current is distributed to consumers at cost by the agency which can best perform this service. Letters of the Tramway Co. to the Power Commission explain in detail how the Company determines its costs.

Your Committee begs to report that Bill #186 which was introduced at the last session of the legislature was passed in a greatly amended form. This bill provided that any money due to any municipality for electrical power or

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energy supplied to any person, firm, company, corporate body or commission should be the first charge on such companys property and assets in priority to all prior liens or encumbrances. In the bill as passed this priority is limited to a period not exceeding ninety days and in event of default after one month the municipality is authorized to cut off the electrical supply.

In a letter from the Board of Commissioners of Public Utilities your committee is informed that in the event of the City undertaking the distribution of the hydro electric current, the rates to consumers will be regulated by the Board in the same manner as if a company distributed the current.

A letter from the City Solicitor informs the Committee that the Nova Scotia Tramways and Power Co. in respect to lighting and power rates, are now under the jurisdiction of the Board of Commissioners of Public Utilities.

The City Electrician with whom was associated the late City Electrician P.R. Colpitt, estimates that a new street lighting equipment and distribution system for power and lighting will cost \$1,186,360 and that it will take a minimum of twelve months to install.

Your Committee is of opinion that the present cost of construction of a new distribution system and the provision of a sinking fund therefor would increase the rate at which light and power should be furnished to consumers. In view of this and of the time and large amount of money which would be involved in the construction of the new system, your committee is of the opinion that the city is not in a good position to under the distribution of the hydro electric current and therefore is not able to give consumers the lowest possible rates.

In view of the decision of the Nova Scotia Power Commission to keep the title to the St. Margarets Bay hydro electric development as trustee for the public, and in view of the fact that the rates for the sale of the current to light and power users will be fixed on statutory principles by the Board of Commissioners of Public Utilities, no matter by whom the current is distributed, Your Committee is of opinion it would be in the best interests of the City and of consumers of light and power that the Power Commission should arrange for the distribution of hydro electric to consumers at cost with the particulars of cost to be clearly defined and provision made for a review of rates at stated intervals. Your Committee is of the opinion the Tramway Company is probably in the best position to distribute the current at the least expense.

Your Committee points out that a direct arrangement as above from the Power Commission to a distributor would relieve the City of the capital obligation which would be entailed, and for which there would be no additional benefit or greater control, if the City entered into a thirty year contract with the Power Commission at \$200,000, per year, total \$6,000,000 and were then obliged to build a new distribution system or accept such terms and security as might be available from some other agency to distribute the current.

Your Committee considers that the Nova Scotia Power Commission is naturally in the best position to arrange for the distribution of the current at cost; and also that the cost of production and the terms of any contract for distribution should be subject to the Board of Public Utilities.

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Your committee considers that the only prudent course for the City is to maintain an independent position as a consumer and not to become entangled financially with either the producer or distributor, and be free to take fullest advantage of the benefits of the Public Utilities Act to the end that electric energy may be distributed to citizens at cost.

Your Committee is informed it will take two months to construct a main line from the receiving station at the Arm into the City and about six months time to install a modern street lighting system and it is advisable therefore that a prompt decision in this matter be now made. Furthermore the Nova Scotia Power Commission have requested a decision in ten days.

DATED HALIFAX AUGUST 18th, 1921.

Alfred Whitman,  
John E. Godwin,  
John W. Regan,  
H.S. Parker.

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Before the amendment was put the following reports from Alderman Murphy were read together with his resolutions.

Halifax, N.S. August 18th, 1921.

To His Worship the Mayor.  
and Members City Council.

Hydro - Electric Development

Realizing that the decision which we are now called on to make respecting this Hydro Electric Development means so much to the future of this City and sharing the grave responsibility resting on individual members of Council in disposing of same, I take the liberty as one member of the special committee appointed to investigate this question, of submitting for your consideration certain definite conclusion reached.

The problem which we are endeavouring to work out, has been materially added to by the fact that complicated reports and statements having no direct bearing on the subject, have been allowed to enter in. This matter can be placed before our citizens in such shape that they all can clearly understand it. It is simply a question of dollars and cents and personally I do not propose to be dragged into any by ways in its discussion. Stripped of all the fringe and trimmings which now surround it the whole thing gets down to an answer to the following very simple questions; namely.

(1) How can the citizens of Halifax be assured of obtaining electrical energy for their house or domestic lighting at prices in the neighborhood of one-half of what they are now paying. In other words at 3 to 6 cents for what they are now paying 8 to 9.

(2) How can they be assured of their store or commercial lighting at roughly one third of what they are at present paying? in other words from 2 to 4 cents as against their present 7 to 8.

(3) How can the City of Halifax offer power for industrial purposes at prices ranging from 1 to 3 cents, dependent on the quantity used, as against 3 to 7 now paid?



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We must not permit ourselves to be misled by discussing the question of street lighting of purely power rates. The whole purpose of this hydro electric policy was that the people of this province should secure these necessary services at prices which have been found possible by developments of a similar nature in other parts. We must therefore, see that the rates for both domestic and commercial purposes are such as to encourage a more general and generous use for these services.

The matter cannot be disposed of on its merits by any discussion confined to the question of distribution which while important is secondary to the real issue and notwithstanding all the widely different statements on this matter of distribution, I am quite confident that it can be worked out, not only without financial risk to the City, but in a manner which will cause little inconvenience and will serve for all time the problems which have so long surrounded our public utility services.

In order to assist if possible in the proper discussion of this somewhat complicated situation, I am placing before you in condensed form portions of the various reports on which my conclusions are based. I have every respect for those whose views may differ as to the best method of meeting this situation but after viewing it from every possible angle, I can see no other way to safeguard the City's future except for the City to take over this entire development, install its own distribution system and offer the current to our citizens at prices which in my opinion it is impossible for them to secure through any other channel.

I therefore, ask your careful consideration to the attached resolutions and reports.

John Murphy.

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Deductions from Report of J.J. Jeffery Electrical Engineer. Hydro Commission of Ontario.

- (1). That the development at St. Margaret's Bay is well designed, the storage dams, stations and transmission lines of most modern type and that taken all around the power service therefrom is in every way as reliable as from the most modern steam installation.
- (2). That based on the usual methods of runoff and rainfall records the storage supply as calculated is as accurate as can be obtained.
- (3). That the cost of installation compares favorably with similar developments elsewhere and that considering the period during which construction was carried on, no criticism can be made on this portion of plant.
- (4). That based on the Nova Scotia Power Commissions proposal to deliver this current to sub station at North West Arm at a price of \$200,000 per year for a quantity estimated slightly over 20,000,000 k.w.h. or 1 cent per K.W. puts the City in a position to supply our various services at lower prices than can be obtained by any other means.
- (5). Should the City of Halifax undertake the installation of a complete distribution system to take care of

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the total capacity of this plant including lighting, power and a street lighting installation, it would make necessary a capital expenditure of \$850,000. In this connection it will be well to note that after operating for something like twenty five years the Nova Scotia Tramway only claim a capital investment of \$850,000 in their whole distribution system. Consequently, at the outset the City can undoubtedly install sufficient capacity for their requirements at a price anywhere between \$450,000. to \$500,000 and additions can be made to same as the load, in building up demands.

(6). Should the City decide to take over this development, deliver and sell it direct to its users, they could cut the prices which are now being paid to, at least one half of those now charged. In other words this statement means that light and power users who paid the Nova Scotia Tram something like \$625,000 for the current used by them should obtain this same supply at roughly \$300,000. a direct saving of more than \$300,000 on these services.

The above conclusions are such that in the disposal of this question they cannot be ignored. Coming to our City recommended by Sir Adam Beck for the purpose of submitting a report on this matter and having so wide an experience in problems of a like character, it is fair to assume that Mr. Jeffery would hold his professional reputation too high to lend his name to any statement which he could not back up and I feel confident that in the discussion of this question every consideration will be given to his report.

John Murphy.

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To His Worship the Mayor.  
and Members of Council.

Position of Nova Scotia Tramway and Power Company.

It is necessary to the full and free discussion of this subject that the condition and attitude of the Nova Scotia Tramway & Power be part of same. Personally I have endeavoured to approach the matter in such a manner as to deal fairly with all the interests involved. The position taken by those acting for the Company has made it difficult to do so. Those of us who have been in more or less close touch with the Company's methods during the past ten years cannot very well forget the treatment which this City has had at their hands and it is unfortunate in dealing with the present situation that they found it impossible to treat with the City along more definite lines.

One thing is clear that the Company has determined that under no circumstances will it place itself on record as to what it will do with respect to rates, either for lighting or power purposes. The grounds advanced for this position are unsound and serve to indicate a lack of appreciation of the situation confronting the Company. No doubt, they hope to secure the control of this hydro development and trust to methods which in the past have proven so successful in the various problems with which this City has been involved with them. They probably expect by the manipulation and inflation of values on their plant, to continue to charge their present rates to domestic and

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commercial lighting and to hand to the citizens of Halifax as a sop, some slight reductions to power users coupled with what might be taken as an attractive proposition for our street lighting. The Company should be made to realize that they have put it over the City for the 1st time and if they hope to protect and preserve the legitimate capital investment which they have in these utilities here, they must adopt more frank and business-like methods in dealing with this problem.

This Council, in the City's interests should insist that before any negotiations between the Tram Co. and the Power Commission take definite shape that the valuation which is now being made of this Company's plant and assets be completed. Past experience with this Company does not encourage the hope of very generous treatment at their hands. They have repeatedly disregarded their obligations to the City, time after time breaking their binding contracts without so much as consulting with us and for these reasons it is not unfair to ask that it be known, as far as possible beforehand, just where we fit with them. For reasons set out, I therefore ask that a resolution be forwarded to the Nova Scotia Power Commission requesting that they do not commit themselves to this Company until a proper and binding arrangement with respect to rates has been entered into.

John Murphy.

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Resolution to Chairman and Members Hydro Commission.  
Negotiations between Nova Scotia Tram Co. and Nova Scotia Hydro Commission.

Referring to recent communications passed and to copies of the correspondence between your Commission and the Nova Scotia Tramway we deem it advisable in the City's interests to ask that before these negotiations are brought to any conclusion that your Commission insist that the valuation, which is now being made of this Company's plant be completed and that definite rates to domestic, commercial and power users based on such valuation be made part of any contract which may later be entered into with the Nova Scotia Tram Co. We therefore, place with you the following resolution:

"RESOLVED that before any agreement is entered into with respect to the St. Margaret's Bay Hydro Development, the valuation which is now being made of the plant and assets of the Nova Scotia Tramways & Power Company to separate its various departments thereby making possible the working out of proper rates for their different services.

AND BE IT FURTHER RESOLVED THAT in view of the interests which this City has at stake your Commission permit us to discuss with you such valuation and rates before a contract is entered into".

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Consideration discussion then took place in which practically all members played their part. At the conclusion of the Meeting the Amendment of Alderman Regan

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and Alderman Whitman was put before the Meeting the following voting for; Aldermen Regan, Whitman, Godwin, His Worship the Mayor.

Against: Aldermen Ritchie, Murphy.

The Mayor declares the motion carried but in doing so stated that a copy of all the reports together with the Minutes of this meeting would be placed before each member of Council for the meeting of the 19th instant.

Meeting adjourned at 10.30 p.m.

John E. Godwin,  
Secretary.

The following documents relating to the subject are read by title and laid upon the table by His Worship the Mayor.

- I. Letter Nova Scotia Power Commission July 11th, 1921 to His Worship the Mayor.
- II. Letter Nova Scotia Power Commission August 6th, 1921. to His Worship the Mayor.
- III. Report J.J. Jeffery, Hydro Electric Engineer, Toronto August 8th, 1921 addressed to The Evening Mail.
- IV. Letter Nova Scotia Tramways and Power Co. Ltd., August 8th, 1921 to His Worship the Mayor covering answers to questions submitted by Aldermen Regan and Murphy.
- V. Letter Power Commission August 10th, 1921 covering copies of letters passed between the Tramway Company and the Power Commission July 21st, 1921, July 23rd, 1921, August 6th, 1921 and August 8th, 1921.
- VI. Letter Power Commission to the Mayor August 12th, 1921.
- VII. Report to the Mayor August 18th, 1921 from G.H. Durling City Electrician and P.R. Colpitt, Ex City Electrician.
- VIII. Certified copy of Chapter 66 of the Acts of 1921 re the Development of Electrical Energy from Water Power.
- IX. Letter August 13th, 1921 Alderman Regan to the Mayor.
- X. Report City Solicitor to the Mayor August 15th, 1921.
- XI. Letter Tramway Company to the Mayor August 15th, 1921.
- XII. Report City Electrician to the Mayor August 16th, 1921.

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- XIII. Letter Alderman Murphy August 18th, to the Mayor and Council.
- XIV. Letter Alderman Murphy August 18th, 1921 to the Mayor and Council.
- XV. Letter Alderman Murphy August 18th, 1921 to the Mayor and Council.
- XVI. Draft of resolution prepared by Alderman Murphy.
- XVII. Letter Trades and Labor Council August 13th, 1921.

I. The Nova Scotia Power Commission,  
Halifax, N.S. July 11th, 1921.

His Worship Mayor Parker.

Sir:- Re. St. Margaret's Bay Development

I am instructed by the Chairman of the Nova Scotia Power Commission to acknowledge receipt of yours of the 29th ult. and to say that his absence from the City for a few days has delayed an earlier reply.

The Commission has experienced some difficulty in satisfactorily interpreting the precise meaning of your request. It has had no formal or official notice of any unanimous or other resolution of the City Council that the resolution of your Council adopted on the 20th of May to the effect "that it is not advisable for the City of Halifax to enter into any contract with the Power Commission and advise that the Power Commission should make arrangements with any concern willing to distribute the current to the users of electricity" has been in any respect reconsidered or reopened; nor is it at all apparent that the resolution adopted by your Council on the 16th of June last, except by possible implication, took into consideration the existence of the Commission as a party to the proposed conference with the Local Government and the Tram Company; and except by courtesy the Commission did not understand that it was a party to said conference. There is nothing in the resolution to which you refer and a copy of which you have been good enough to transmit with your letter, indicating that a special committee of the City Council had been appointed to confer with the Nova Scotia Power Commission upon the particular subject matter of your letter.

For these reasons, the Commission is at some disadvantage in properly appreciating whether your request is -

1st. For the purpose of furnishing the City Council through you, with additional and more detailed information respecting the introduction, delivery, cost etc., of electrical energy developed at St. Margaret's Bay to the City of Halifax in response to the request of the City Council adopted on the 27th of November 1919, or

2nd. for the purpose of providing such information to the special Committee to which you allude "looking to a general settlement of all outstanding matters concerning the Tram Company and in relation to the hydro-electric development".

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If the latter, you will, I am sure appreciate that the objects are too general and involve problems that are not germane to the immediate subject matter of this correspondence as the Commission in the discharge of its duty understands it.

If the former, the Commission is of the opinion that it would have facilitated negotiations and resulted in a clearer appreciation of the outstanding difficulties if any, if your letter had contained some intimation what would be the attitude of the City Council if the "few important points" which you infer are not "covered" in previous correspondence to the entire satisfaction of your special committee, are covered. Such an intimation would obviously remove these negotiations from the realm of mere discussion and afford the Commission some assurance that a practical proposal was being practically discussed.

The Commission with all respect submit that in its view all the points suggested in the questions you have now submitted have been previously covered by letters to the City Council from the Commission and this fact increases the difficulty that confronts the Commission in clearly appreciating either the objects of the letter or the ideas that prompted it.

The Commission is well aware of the various efforts on the part of the City of Halifax, to secure an adequate supply of electrical energy and this was one of the considerations in inducing the Commission to undertake as its first extensive development, that the St. Margaret's Bay, to supply primarily the City of Halifax. Other sections of the Province were desirous of securing electrical energy at an early date, and the Commission in view of the difficulties surrounding a supply of electrical energy to the City of Halifax, might well have directed its attention elsewhere.

As a result of its investigations, the Commission is convinced that the best interests of the City of Halifax would be served not by the operation of a single hydro electric or other development for the City of Halifax alone, but by supplying the City with electric energy from a system of interconnected generating stations. In so far as the St. Margaret's Bay development is concerned, in all probability for some time to come, the greater part of the output of this development will be consumed within the City of Halifax, although the Commission already has requests for electrical energy from this development to supply sections of the Province outside of the City of Halifax.

As the Commission sees it, therefore, the immediate problem for the City's consideration and decision, is not that of taking over the whole output of the St. Margaret's Bay development, but of deciding as to the distribution, within its own municipal limits, of such electrical energy as may be supplied to it from whatever source. This observation may possibly assist in a more complete and correct interpretation of the information which the Commission gives hereunder, in reply to the questions contained in yours of the 29th ult.

I.Q. Following your conference on Friday we should like to know, if the City takes over the output of the hydro development placed at a price to cover entire cost sinking fund, etc., if the property will be vested in the City at the completion of the contract period or periods.

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A. As already explained, the Commission will have customers outside the City of Halifax, for electrical energy from the St. Margaret's Bay development, who will be paying a part of the total charges of supplying energy from this development, including sinking fund. The basic principle of the Commission's whole operations, in so far as its relations with municipalities are concerned, is that the various municipalities served by the Commission are the owners of development carried out by the Commission, for whom the Commission acts as trustee. The equity of each municipality served is, of course, determined by the amount of the sinking fund or other payments made by the respective legislation under which the Power Commission operates, and which provides for service at cost to the municipalities. When sinking fund payments are no longer necessary, the municipalities secure their power at a correspondingly less cost. If any more formal vesting of the equity established in the St. Margaret's Bay or other developments of the Commission by sinking fund payments on the part of the municipality of the City of Halifax should be required, it can no doubt be arranged.

The above questions it is submitted is to all intents and purposes the same as that asked by you in your letter to me of the 24th of February last and to which the Chairman of the Commission replied on the 7th of March as follows:-

"The property would continued to be vested in the Commission in trust. If it is possible to convey that by the payment of a sinking fund extending over 30 years, the original investment had been retired, and that no replacements, etc., had been made in the meantime, this opinion might be altered. The result however would be equally satisfactory to the City, because the costs would annually become less and less". Clause 7 of the proposed agreement submitted to the City Council is consistent with this view and the Commission is still of the same opinion and beg to confirm the same.

2.Q. In my past correspondence with your Commission it was generally understood as an estimate, that the cost of the full development to the City would be \$200,000.00 per year for 30 years, subject possibly to slight adjustment up or down from year to year, based on actual cost of operation, the records or which will be open to the inspection of the City. Please confirm this.

2.A. The estimated ~~see~~ total annual charges against the present St. Margaret's Bay development are herewith confirmed at \$200,000.00. The cost of electrical energy to the City of Halifax from this development under the proposed arrangement, would be a proportionate part of this total annual charge based on the relation of the amount of electrical energy taken by the City of Halifax to the total amount supplied from the St. Margaret's Bay development to all customers.

3.Q. We understand that the foregoing figures of \$200,000. representing total cost sinking fund etc. is estimated to cover the delivery at the Arm Station of twenty million to twenty two million k.w.h. This is no doubt a close estimate based on your engineering reports. It would assist our deliberations if your Commission would go further than an estimate and give us a definite assurance of the minimum quantity to be delivered at the Arm Station.

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Please state what minimum quantity you can guarantee.

A. It is not physically possible to give any other guarantee of the capacity of the St. Margaret's Bay development than to cite 5 years' run-off measurements and 50 years' daily rainfall records in the vicinity of Halifax. The most recent computations of the Commission supported by the opinions and advice of hydro-electric engineers of recognized ability, give the capacity of the present installation at St. Margaret's Bay, delivered at the Receiving Station in Halifax, as 20,830,000 k.w.h. per year as a minimum, or 8,560. h.p. with the capacity of the complete development on the same basis as 30,190,000 k.w.h. per year.

4.Q. It has been suggested by a number of citizens that the City as a corporation, might not require the entire development, and that the municipality should only take a limited amount of energy. Kindly deal with this as an alternative arrangement to that of the City taking the whole of the development and state in such case what would be the price per k.w.h. or on the basis of h.p. per year.

A. Section 34 of the "Power Commission Act" provides that a municipality having a contract with the Commission for a supply of electrical energy shall pay the cost of such power or energy that the contract shall so provide. The same section details what items the Commission may include to fix said cost. It is impossible therefore, under the terms of the Act for the Commission to deal with the City otherwise than on the basis of cost only.

If, however, a municipality should state what definite amount of power it would require and what it would undertake to pay for, the Commission could give a price per kilowatt hour or on the basis of horsepower per year or the basis specified in the definite request.

5.Q. Suppose the City should accept the alternative proposition just mentioned, to buy electrical energy from the Commission at a price per h.p. or k.w.h. the proportionate part of the whole cost of \$200,000.00?

A. Yes.

6.Q. Will the Commission favourably consider making a three or five year contract with the City for the whole power with the option of the City extending same for the balance of 30 years?

A. In view of the provision of the Power Commission Act, whereby any part of the cost of power supplied to a municipality may be deferred for a period of three years, and of the requirements of the legislation that power will be delivered at cost in any case, there does not seem to be any advantage in making a short term contract as suggested, and such an arrangement would probably only have the effect of perpetuating disturbed conditions as to the City's electrical supply. The Commission is open to consider this matter further, but its own opinion is as expressed herewith.

7.Q. If, for any reason, the Commission is not able to agree in event of the City taking the whole output for thirty years, to vest the property in the City at the completion of the period, would the Commission consider securing an amendment of the Power Act, authorizing a contract at an annual price with the sinking fund eliminated?



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7.A. The Commission does not consider that under any circumstances or to any customers, whether municipal or private, that it should sell power at a cost which would not provide a sinking fund to retire the initial capital investment over a period of 30 years. It should be pointed out in this connection that the Commission is in a different position than a private corporation, who normally have permanent share capital, more or less paid up, and in theory, if not in fact have a perpetual investment in their property. The Commission has no stock issue, and is financed entirely by bonds or debentures, and it would seem to be entirely out of the question for the Commission not to provide for the retirement of these securities.

In any event the Commission as such could give no undertaking that any amendment to the Act, however desirable, could be secured at its instance. That is obviously a matter for the Legislature.

The Commission trusts that the respective answers above will cover the point desired by your special Committee. If it has failed in this respect it is simply because it has unintentionally failed to appreciate the true meaning of the questions and not because of any desire to withhold information or disguise the real situation as we know it. It again desires to reiterate on its behalf its willingness to frankly and fully discuss with the City any phase of this important matter that will lead to as complete an understanding of every phase of the situation as is possible. The Commission has always maintained and still maintains that in so far as the City of Halifax in its efforts to avail itself of the provisions of Part 2 of the Power Commission Act is concerned, such information was yours by right and it was its duty to furnish the same to the best of its limited ability and with unlimited candour.

Let me at the same time respectfully submit that the deliberate action of the City Council on the 20th of May last, to which the Commission has above referred, creates a condition that was not anticipated. While therefore, the Commission is willing to give and considers it to be its duty to give all available information possible, so that the citizens at large could not misunderstand its attitude and be advised of the respective steps taken in these negotiations it must be clearly understood that the Commission has not and will not, in view of the official attitude of the City Council, refrain from taking such action of an alternative nature as may in its judgment be necessary and least prejudicial to the very considerable responsibilities which it has assumed.

This letter, I am instructed by the Commission to advise, must be so interpreted.

R.G. MacKay, per M.W.  
Secretary.

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II. The Nova Scotia Power Commission  
Halifax, N.S. August 6, 1921.

John S. Parker, Esq.,  
Mayor, City of Halifax.  
Dear Mr. Mayor: Re St. Margaret's Bay Development.

I have the honor to acknowledge receipt of your recent favors, intimating that the subject matter of

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my letter to you of the 11th of July last would be taken into early consideration by the City Council, and we would be advised accordingly of its definite action.

I beg again to repeat what I stated in my letter to you of the 11th of July last, that owing to the action of the City Council of the 20th. of May last, a condition had been created that was not anticipated; and I beg again to repeat that, on account of this action, the Commission **did** not and does not feel warranted in not taking other alternative steps to provide a market for the electrical energy, the result of its development at St. Margaret's Bay.

In the meantime, in order that there may be no misunderstanding, the Commission has entered into other negotiations, and for its own protection, and to protect the Province, it deems it necessary to continue these negotiations, unless we receive some express and satisfactory intimation from your Council that the Resolution of the 20th of May will be rescinded, and the situation that existed prior to that date is continued. Whilst the Commission entertains this view, and think it the public interests they are justified in the course they are now pursuing, it is not unmindful of the fact that under the terms of the Resolution of the City Council adopted on the 16th of June last, "the Power Commission was requested not to conclude any contract with any private Company with respect to hydro electric distribution in Halifax".

It is scarcely reasonable to expect that the Commission can much longer delay definite negotiations of an alternative nature. It is most important that these negotiations be concluded. Such a stage in our negotiations has now been reached. In view, however, of your recent letters and the request in the Resolution of the City of Halifax on the 16th of June last, the Commission is of the opinion that the time has arrived when some definite announcement should be made by your City Council, on behalf of the City of Halifax as to whether the action of your City Council on the 20th of May last will or will not be reconsidered; and if reconsidered, upon what terms in so far as the proposed contract with the Power Commission is concerned?

In view of the fact that nearly two months have now elapsed since the City Council suggested that "The Commission do not conclude a contract other than with the City of Halifax", I think you will appreciate that this request is, under the circumstances, fully justified. In any event, the matter is of sufficient public importance to suggest to you that if any good reasons can be given why the Commission should not conclude a contract with any parties other than the City of Halifax, these reasons should now be specifically stated. Otherwise, the Commission can only come to one of two conclusions, that unnecessary delays are being imposed upon it, or that the City Council is unwilling to rescind their Resolution of the 20th of May last, in which event, it is but fair to suggest that the Power Commission is in no way responsible for this delay, and, further, it will be fully justified in taking any action it considers necessary to conclude a contract with other parties.

I have, therefore, the honor to suggest that this matter be brought to the immediate attention of the City Council, and that a prompt and early reply be submitted to the Commission.

R.H. Mackay,  
Secretary.

August 19th, 1921.

III. Toronto, August 8th, 1921.

The Evening Mail,  
Halifax, Canada.

Gentlemen:-

In visiting Halifax at your request, it was intended that I should give the tax payers of your City a full explanation of the manner in which hydro power is distributed at cost to municipalities in this province by the Hydro-Electric Power Commission of Ontario. Since however, you have asked for suggestions along certain definite lines in connection with the power situation in Halifax, I will attempt to give you in a general way suggestions in connection with your power problem, based on our experiences in Ontario.

You have suggested that my report should follow the questions as set out in your paper of June 22nd, and I will attempt to answer the questions which you have listed in their order.

You have requested a report in connection with the development at St. Margaret's Bay, and in this regard I would advise that while I have not gone into all the details in connection with the design of the plant, I am in a position to express an opinion that the plant has been well designed and constructed along modern lines. The storage dams, generating stations and transmission lines are of the most modern type, and considered as a whole, the St. Margaret's Bay development should give the City of Halifax a very reliable power service in fact quite as reliable as could be obtained from the most modern steam plant. The water supply has been checked by run-off records taken accurately over a period of five years, and as the rainfall records for the district of Halifax are available for the past fifty years, it is reasonable to suppose that the figures used in calculating the amount of storage water available are as accurate as could be desired.

The total cost of the plant, including the cost of the transmission line, according to figures obtained from the Nova Scotia Power Commission will be approximately \$1,800,000.00 which with a plant capacity of 10,700 horse-power shows the cost of generated power to be \$150.00 per horsepower. This figure is very reasonable when the high cost of material and labor is taken into consideration.

The Nova Scotia Power Commission have stated that the estimated annual costs for generating power at the St. Margaret's Bay plant will be approximately \$200,000.00. This figure has been checked, and I believe this amount will take care of all operating costs and all interest and sinking fund charged on the investment as required by legislation.

The answer to question No. 5 depends upon whether the city purchases company's plant for the distribution of light and power or constructs its own system and operates it in competition with the company.

If the Municipality were to purchase the Company's plant, under the present conditions of operation the rates could be reduced at least 25 per cent., and from the Company's own figures the revenue from the Power and Light System of the Tramways Company for the past two

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years was at least 25 per cent in excess of the actual cost of operation, after making due allowance for a proportion of the bond interest which should be chargeable to the Power and Light Department.

Assuming that the Power Commission made a contract on the basis of all the annual and operating costs in connection with the St. Margaret's Bay Development to be included each year in the price at which power would be sold to the Municipality, a reduction of approximately 15 per cent in light and power bills could be made for present conditions, including the cost of the steam plant.

When the loan increased to the full capacity of the St. Margaret's Bay Development, the present rates could be reduced approximately 35 per cent immediately, and up to a total of about 50 per cent within the next two or three years as the load is increased.

When considering the ultimate cost to the consumer, it will be interesting to note that the City of St. Thomas, with a population of 18,000 buys power at a rate of \$24.00 per horse-power per year and re-sells power to the consumers at an average price of approximately \$20.00 per horse-power per year; domestic lighting at an average of 2.9¢ per kilowatt hour and commercial lighting at an average of 1.9¢ per kilowatt hour.

The City of Windsor, with a population of approximately 35,000 and supplied over a transmission line 240 miles in length, buys power at a rate of \$36.00 per horse-power per year and re-sells to power customers at an average price of approximately \$25.00 per horse-power per year; domestic lighting at an average of 3.9¢ per kilowatt hour and commercial lighting at 3¢ per kilowatt hour.

An entire new system constructed to take care of the Company's present load and including also a new street lighting system would cost approximately \$850,000. I would estimate that if a new system were constructed to operate in competition with the present Tramways Company system at least 75 per cent of the consumers would be taken over by the City system at a capital expenditure of about \$700,000.00,

And on this basis the rates could be reduced at least 50 per cent below those at present used by the Company in the sale of light and power to the Customers in the Municipality.

The answer to question No. 6 has been partly dealt with in reply to your previous questions, but I would say that if the power problem which you have before you were in connection with ~~the~~ a Utility located in a City in Toronto, I would undoubtedly recommend that the City purchase the plant of the local Company and operate it under a Commission, it being assumed however, that the property of the Company could be purchased at a proper physical valuation.

If satisfactory arrangements cannot be made for the purchase of the property of the Company at a proper physical valuation, it would be in the interests of the Municipality to construct its own system and distribute on a cost basis the publicly owned power.

The various Hydro Systems in the Municipalities in Ontario are operated by Commissions, some elected in the same manner as Councillors, no Councillor being permitted to be also a Commissioner.

In larger Cities the Commission consists of three members, one of whom is appointed by the Municipal Council.

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of the City at its first meeting in each year, one is appointed by the Provincial Commission, and the third member is the Mayor of the City. The members so appointed hold office for two years or until their successors are appointed.

The Legislation in Ontario provides that the Provincial Commission regulate all rates at which power is supplied to the Municipalities, and also the local rates at which power is sold to consumers. The Provincial Commission also regulated the disbursements of any surplus in connection with the operation of a Municipal Hydro System, the issue of debentures for extensions, and all financing in connection with the local systems must be approved by the Provincial Commission, as provided by Legislation, therefore the commissioners are largely controlled by the Provincial Commission and are not to any considerable extent under the influence of the Council in the Municipality.

Another very important point to which I would draw your attention is the fact that the Hydro-Electric Power Commission of Ontario is not under a Department of the Government, but while appointed by the Government is an entirely independent body, free from the usual influences which tend to destroy the work of a Commission operated as a Department of the Government.

If there are any of the questions which I have not made clear in this report, I would be pleased to give you further information at any time.

J.J. Jeffery.

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IV. Nova Scotia Tramways & Power Co.  
Halifax, N.S. August 8th, 1921.

His Worship the Mayor,  
Halifax, N.S.

Dear Sir:-

We acknowledge your letter of July 26th with enclosed questions submitted by Aldermen Regan and Murphy.

We are enclosing herewith three copies each of the answers to the Aldermen's questions. We regret the delay in preparing these answers but a good deal of work was involved and it was impossible to reply more promptly.

W.L. Weston,  
Manager.

\* \* \* \* \*

Answers to Questions asked by Alderman Regan.

1.Q. What was Tramway Company's total power house expenses in 1920 including cost of producing current for all departments.

(a). How many K.W.H. were produced?

(b). What was cost per K.W.H.

(c). How much of above figure was fuel cost and how many tons of coal were consumed?

(d). What was average price of coal in 1920 and what reduction if any in this price is there this year?

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1.A. The total cost of producing electric current in the Company's Power House was \$321,416 in 1920.

(a). 17,072,899 k.w.h. were produced.

(b). The Power House cost per K.W.H. was \$1.89¢. This includes operating expenses only and excludes taxes, interest charges and depreciation.

(c). The total invoice cost of fuel used for generating electricity in 1920 was \$209,830 and 26,196 net tons of coal were consumed.

(d). The average price of coal in 1920 was \$8.01 per net ton. In December 1920 the price was \$9.50 per net ton for run of mine and \$8.00 for slack. In July 1921 the price was \$8.50 per ton for run of mine and \$7.00 for slack. All these prices are f.o.b. Company's coal wharf.

2.Q. What was the light and Power Department's portion of total power house expense in 1920?

2.A. The Light and Power Department portion of the total power house expense in 1920 was \$237,048.

3.Q. If the Company distributed hydro and the City wished to do its own street lighting and supplied its own lamps and other equipment would the Company be agreeable to allow the City free use of its poles and furnish current at same price as charged by Nova Scotia Water Power Commission and otherwise facilitate the City's handling the Street Lighting?

3.A. If the City desires to undertake the lighting of the Streets this Company will endeavor to facilitate such an undertaking on the part of the City selling current at the same price charged by the Water Power Commission and measured at the same point. It is felt however that rental should be charged for the use of poles. This rental would consist of a small annual charge for each cross arm and an additional charge for each lighting unit attached to a pole. It would be based on the proportionate investment, maintenance and overhead expense including taxes, applicable to the City's use of the poles. There seems no sound reason why the City should not bear its portion of these costs on pole lines utilized by it for street lighting wires and lighting fixtures. If the City does not carry its portion of this charge it must be assumed by other customers.

4.Q. As an alternative if the Company distributed hydro would they contract for ten years to furnish the City with the modern and comprehensive street lighting system as designed by Mr. Colpitt at the absolute cost of current, operating and materials, the company to furnish the whole street lighting equipment of lamps, arms etc?

4.A. This Company is willing to contract for a ten year period to furnish the City with a modern street lighting system.

5.Q. Will the company examine Mr. Colpitt's specification for a street lighting system and state as nearly as possible for what annual figure they are prepared to install and operate such a system for ten years, with the privilege of the City taking over same at any time if so desired at cost, less depreciation?

5.A. The Company will examine Mr. Colpitt's estimates for street lighting and submit a definite figure at a later date. It will take several weeks to prepare figures on this but when all the data is before us a definite proposal

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will be made. The Company would much prefer for the City to undertake its own street lighting making the necessary installation and maintaining it at its own expense. If the City does not desire this the Company would prefer to light the streets at cost submitting monthly charges in detail as to this cost. If, however, a firm contract price is desired the Company will submit such a price but must of necessity include in the figure an amount for contingencies as it is obviously impossible to estimate accurately in advance.

The Company will give the City the privilege of taking over such a street lighting system at cost less depreciation. It is felt a years written notice should be given if the City desires to avail itself of this privilege. Poles cannot be turned over to the City but as suitable rental can be provided for.

6.Q. Do the Company believe that the cost of operating a street lighting system would be less under company management than if same were operated by the City? If so, for what reason?

6.A. The Company believes that it can operate a street lighting system in Halifax at a lower cost than can the City as a trained organization is already in existence and is available for this work. Ordinarily the operation of a street lighting system requires very few regular employees but at times additional wiremen are needed and could be drawn from our organization to meet such requirements. If the City should undertake the Street Lighting it would probably have to maintain a larger force to operate the system in order to provide men who would be available for emergencies and whatever extra work would be necessary in conducting the system.

7.Q. What are the Company's lowest and also their average net rates to power consumer's and with hydro both on peak and off peak assuming the current cost one cent per K.W.H. at the Arm. What rates do they think could be offered large and small power consumers subject of course to approval of Board of Public Utilities?

7.A. The Company's lowest published rate for power users is  $3\frac{6}{10}$ ¢ per K.W.H. and the maximum is 6¢ if payment is made promptly. Other customers having a very desirable load are quoted rates lower than this and these rates vary from 2¢ per K.W.H. upward. The average rate for power customers in 1920 was approximately 4¢ per K.W.H.

The Company cannot make a definite price to power users as it is illegal to do so for power rates and all rates charged by a Public Utility Company are under the direct supervision of the Public Utility Board and can be increased or decreased by the Board at any time.

So many questions are involved in rate making that it is impossible to name a rate today which will be applicable a year hence. For example take the matter of taxes. In 1914 the Company's taxes were \$29,068 while in 1920 they amounted to \$102,328. Of this 1920 tax \$22,829.45 was a Provincial tax. It is now generally known that Provincial taxes have been materially increased and we estimate our 1921 Provincial taxes will be \$35,896. It is perhaps unnecessary to mention the tremendous increase in the City tax rate which is proving a great burden to this Company. These matters are entirely beyond our control and we have no way of knowing what further increases there will be.

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At the present time no value has been determined by the Public Utility Board for the Light & Power Department of this Company. Without such a valuation it is impossible to determine the interest charges and depreciation applicable to the Light & Power Department. This of course has a direct bearing on the rates the Company will be permitted to charge. The Public Utility Board has intimated that it will undertake a valuation of the Company's property and will appoint its experts to do this work.

The Committee is probably aware of the fact that no matter what agency distributes hydro electric current the rates it charges will be regulated by the Public Utility Board and this will be true even if the City itself undertakes such distribution.

The Company will sell the current at cost determining this cost in substantially the same manner as the Water Power Commission determines the cost of the power it has for sale. The cost in our case would be determined in a slightly different manner as we would include interest, depreciation, operating expenses and taxes whereas in the case of the Water Power Commission taxes are negligible but to offset this a Sinking Fund is provided which this Company does not include in fixing its cost.

The Company believes that if current can be procured at a price below the present cost of generation, the power rate should be reduced. In any reduction it is felt that the larger consumer should receive a lower rate than smaller customers and a low off-peak rate should be put in force.

8.Q. If the consumption of current increases in Halifax and assuming there is an additional development at St. Margaret's Bay at a lower proportionate cost than the present development would the rates to power users tend to be further lowered?

8.A. Under the conditions set forth in the question the rates to power users would tend to be further decreased.

9.Q. Can the Company say with hydro what reduction there would be in present commercial and domestic lighting rates?

9.A. The answer to question (7) is applicable to this.

10.Q. Do the Company understand that under a recent decision of the Board of Public Utilities the operation of the light and power department must in future be separated from tram and other departments and rates to light and power users be based on that department separately?

(a). It is correct that when the Board of Public Utilities fixes commercial and domestic light and power rates the determination of these rates will have no reference to Company's capitalization but will be based strictly upon value only of that part of company's plant and property, wires, etc., connected with the light and power Dept?

10.A. The Company understands that the Public Utility Commission will separate the Light & Power Department of this Company from the other departments in preparing the valuation and will make each department pay its own way. Further the rates to light and power users will be based on the costs for that department.

These costs will include interest and depreciation on the value of the equipment and other property used solely in supplying light and power. Operating expenses



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will also be included. The Company is required to separate carefully its operating expenses between its several departments and definite instructions are laid down by the Public Utility Board stating in detail how the accounts must be kept.

(a). The Public Utility Commission in fixing rates does so with the view of providing interest charges on the value of the property used in the business without respect to the capitalization or outstanding bonds, stock or other securities.

11.Q. What financial plans are the company making for paving and other improvements for next year and what amount in addition to paving material on hand do they plan to spend on paving next year and what streets are included in this programme?

11.A. The Company is not in a position financially to consider the question of street paving at the present time. When the valuation of the Company's property is completed it will then be possible to accurately determine whether the Tramway Department is in a sufficiently strong financial position to undertake further financing for street paving. At the present time the charter requirements concerning street paving are extremely burdensome and are proving a serious menace to the Company's prosperity. If a valuation of the Tramway Department indicates that it is in a sufficiently strong position to undertake further financing the Company will be only too glad to start paving at the earliest possible moment. The Company believes that financing would be somewhat simplified if the City modifies its present extensive program and undertakes only a portion of the work each year. We are advised by His Worship the Mayor that the Board of Works is formulating such a scheme. As to the streets that would first be paved the Company feels that at the present time the streets most needing attention are Hollis Street, Morris Street, Buckingham Street, one block on Brunswick Street, Agricola Street and Coburg Road.

12.Q. What percent of present light users are paying only the minimum service rate?

12.A. In the month of June 1920, 1766 electric light users paid only the minimum rate and in December 1920, 530 users paid that minimum rate. You will observe from this that the question of a minimum rate varies considerably from month to month and with the Season. In December 1920 the Company had 8456 customers.

Answers to Questions submitted by Alderman Mubphy

1.Q. Assuming the figures, as given us by the Nova Scotia Power Commission to be correct and of your being in a position to obtain power as follows:- 21,500,000 K.W.H. what prices would you make to the following at 1¢ per K.W.H. or \$200,000.00 per year.

(1). Domestic or household users at present paying 10 cents per K.W.H. subject to discounts ranging from 10% to 25% without five year contract and from 25% to 35% with.

1.A. Under the law the Tramway Company is not permitted to fix rates as all Public Utility rates are subject to increase or decrease by the Public Utilities Board if in the opinion of the Board a change in rates is necessary or desirable. If current could be secured at the price mentioned by the Alderman and all of the current

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sold the Company feels a reduction in rates could be made. But it is not possible to name a rate today which will be applicable a year hence as in our business so many factors enter into the question that it is impossible to foresee any advance that is likely to occur. We would respectfully point out that we can furnish the hydro electric current at cost, this cost to be determined in the same manner as the Water Power Commission determines the cost of the current it generates. This cost in our case would include interest, depreciation, operating expenses and taxes, whereas in the case of the Water Power Commission taxes are not charged to the purchaser of electric current but a Sinking Fund is provided which this Company does not charge. It follows that after the above conditions are met the full benefit of any reductions in operating costs whether it be from reduced prices for coal, and other things or the purchase of hydro electric energy, should cause a corresponding reduction to the consumer.

2.Q. Commercial or Store lighting 10 cents at present charged on the exact same basis as for Domestic Users?

2.A. The answer to #1 is applicable to this question.

3.Q. Power Rates at present 8 cents per K.W.H. subject to a discount of 25% to those not under five years contract and to discounts of 37 1/2% to 55% to customers using anything in excess of 1250 K.W.H. per month and supplied under the five year contract?

3.A. The answer to #1 is also applicable to this question.

4.Q. Heating, cooking and other utensils: What rates are you prepared to extend to users or radiators, ranges, irons and other utensils which in most places enjoy power rates?

4.A. At the present time all users of electric appliances in Halifax can secure the power rate provided they install a separate wiring system to permit the use of a separate meter. In practice we have found that customers using an electric range always wish to avail themselves of the power rate and therefore a separate circuit is provided in the house. Generally speaking the users of small appliances do not care to make the necessary investment in order to avail themselves of the power rate. It is felt that a new lighting rate should be prepared which will decrease as the customers use of electricity increases thus automatically giving the user of small appliances the benefit of a lower rate without the expenses necessary to install a separate circuit.

It would appear from the nature of this question that it was not generally appreciated that the power rate was now applicable to users of electrical appliances.

5.Q. Street Lighting: You have already stated that in the event of the City undertaking its own street lighting they could purchase power at cost at sub-station. Kindly submit alternative proposition for the installation and operation by your of a modern street lighting plant to conform to the plans and specifications at present on file at the City Engineers Office. Basing this proposal for a contract to run over a period of say ten or fifteen years and setting out the conditions under which any additional street lights required during the term of the contract would be supplied?

5.A. We are preparing a statement as to the contract price for street lighting under an agreement running over ten years. It will be necessary to go into this matter very

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carefully and secure prices from the manufacturers necessitating a delay of several weeks. When the information is secured definite figure will be quoted but obviously any such figure will have to include an amount for contingencies as it is impossible to look ahead and determine what conditions will be in the future. We would much prefer to do the street lighting at cost, this cost to include interest, depreciation, operating expenses and taxes.

6.Q. What percentage of your domestic consumers enjoy each of the following discounts no contract - 10 - 20 - 35%  
with contract - 25 - 30 - 35%

and the same information as to Power Users?

6.A. The question as stated will require several weeks work by clerks who would have to keep up their routine work at the same time. It is felt that it is asking too much of the Company to require its clerks to perform this extra work but if the Committee can convince us that the question has a direct bearing on the subject we shall be glad to give the figures in detail.

Perhaps the Alderman will be satisfied with the statement that in 1920 the average power rate was about 4¢ per K.W.H. and the average light rate was about 6.79¢ per k.w.h.

\* \* \* \* \*

V. Public Works and Mines,  
Halifax, N.S. August 10th, 1921.

John S. Parker, Esq.,  
Mayor, Halifax, N.S.

Dear Sir:- Re St. Margaret's Bay Development

Following the Secretary's letter to you of the 5th inst., and for your information, I beg to enclose copies of letters which have been exchanged between the Nova Scotia Tramways and Power Company and the Power Commission.

I may further add that in pursuance of the intimation given to the Commission in the letter of the Nova Scotia Tramways and Power Company of the 8th inst., the conference referred to was held, and progress made.

E.H. Armstrong,  
Chairman N.S. Power Commission.

\* \* \* \* \*

Halifax, Nova Scotia, July 21, 1921.

The N.S. Tramways & Power Co. Ltd.,  
Halifax, N.S.  
Attention Mr. W.L. Weston, Mgr.

Dear Sirs:-

I have to thank you for your favor of the 25th ult., enclosing copy of your letter of the 24th, addressed to the Hon. G.H. Murray, referring to the above subject matter.

I note in your letter to Premier Murray that you intimate that if the Power Commission is willing to contract with your Company for "its output of hydro electric power"

August 19th, 1921.

your Company can distribute it to the citizens of Halifax at less cost than it can be distributed through any other agency.

You will appreciate that the Nova Scotia Power Commission is interested in the above proposal. The primary purpose that the Nova Scotia Power Commission had in view was to develop the St. Margaret's Bay water power for the benefit of the Municipality of the City of Halifax. The Power Commission, as it understands its position, did not intend to become distributors of electric energy to the citizens of the City of Halifax. We recognize, however, that the problem of distribution is a most important one, and from our standpoint, we cannot disregard its importance in any final disposition which may be made of the energy which the Commission hopes soon to be able to have available. Whilst, therefore, the Commission is indirectly concerned with the question of distribution, the direct problem, with which it is immediately concerned, is that of the disposal of its output in the City of Halifax.

In view of the foregoing, and of your intimation of a willingness to contract with the Power Commission for its output, the Commission would appreciate an intimation from you as to whether you are prepared to undertake the entire distribution within the City of Halifax, of electric energy supplied by the Commission? This, of course, would involve the consideration and the terms of a contract for the necessary output. If an affirmative answer is given to this inquiry, when can an early conference be arranged, at which the terms of such a contract may be discussed? I need not repeat what I think now is common knowledge, that the information as to the quantity of power available is well-known to your Company, and particularly to your Manager. If there is any additional or more positive information to be given, and that information is within our power, we would be very glad to discuss the details as fully as we are able to.

As you further fully appreciate, the development of the St. Margaret's Bay's water power was undertaken, and will be carried to completion, having back of it the credit of the Province of Nova Scotia, and that, therefore, the Power Commission is directly concerned in securing, by virtue of any contract which it may discuss and determine with your Company, such favorable terms and conditions as will enable the citizens of Halifax to derive the fullest benefit possible from such development. We submit we are justified in taking this view, holding the view that we are developing this power for the ~~sub~~ object of providing the citizens of this Province with the benefits of a necessary public utility on the most favorable terms possible.

Holding these views, the Power Commission would like to have an express assurance from your Company as to the precise meaning of the following clause in your letter, - "This Company is prepared to undertake ~~to~~ deliver and sell the current, so obtained, to the citizens of Halifax at-cost, such cost being determined generally upon the same principles as the cost of the hydro power to be sold to the Company by the Power Commission is determined by Statute".

In other words (1). What is the meaning of your expression "at cost"; (2). When you state that such cost being generally determined, what is the meaning of the

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expression "generally"; (3). To what statute are you referring? In other words, the Power Commission is desirous of taking into consideration to the fullest extent possible, with a view to stabilizing and informing public opinion, just what the delivery by you "at cost" would mean, as far as the citizens are concerned; and further for the purpose of discussion and information, and as a measure of assurance to the public, I think it is desirous to know what factors will enter into the determination of the question of cost of current to the citizens.

I notice your preference is for the suggestion that the Company be placed under the Public Utilities Board, and that a valuation of property be promptly made. The Commission is prepared to discuss, as an alternative, this preference on your part, but would respectfully suggest, if possible, (1) you furnish the Commission with the scope of such valuation, (2) how it is to be undertaken, (3) by whom the valuers are to be appointed (4) when such valuation can be made, and when concluded.

I think it is unnecessary to point out to you that it would facilitate our mutual negotiations, and be far more assuring to the public, if these questions could be satisfactorily dealt with, in order to overcome the objection that there has been an undue and perhaps over-capitalization of your Company.

E.H. Armstrong,  
Chairman Nova Scotia Power  
Commission.

\* \* \* \* \*

Nova Scotia Tramways & Power Co.  
Halifax, N.S. July 23rd, 1921.

Honorable E.H. Armstrong,  
Provincial Building,  
Halifax, N.S.

Dear Sir:-

We acknowledge your letter of July 21st asking for certain additional data in connection with our letter of June 24th addressed to the Hon. G.H. Murray.

We appreciate the fact that the St. Margaret's Bay water power development was undertaken with the backing of the people in this Province and that for this reason your Commission must insist on disposing of the current secured from this development in the manner which will give the greatest benefit to the citizens in general.

We ask the privilege of reiterating at this time our reasons for making the statement that this Company can distribute the power at a less cost to the consumer than can any other agency. In the first place the Company already has a well trained organization consisting of men who have been engaged in the business for many years. This trained organization is ready to take over the hydro electric current and distribute it with less delay and with greater efficiency than would be possible with any other agency. In addition it is obvious that the various general expenses, referred to frequently as overhead expenses, are in the case of this Company divided over four departments namely Tramway Department, Electric Light Department,

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Power Department and Gas Department. For example, accounting and office staff for one service needs only to be slightly increased to serve four services. Employees used in an Electric Light Company for the upkeep of the distribution system are used also in repairing and overhauling the trolley wires of the Tramway system. Numerous other examples could be cited but space will not permit at this time. If any other agency is to distribute the hydro electric current these general charges will of necessity be higher and will have to be passed on to the consumer.

This Company owns and controls a complete system of electrical distribution lines in Halifax and Dartmouth which with slight changes can be utilized for the distribution of hydro electric current. This system was largely constructed before the way at a time when costs were materially lower than at present. If any other agency undertakes the distribution of hydro electric current a complete distribution system will have to be constructed at a cost much higher than the cost of the existing system because of the advance in wages and in the price of materials. In addition a competing distribution system will of necessity have to use much higher poles than are at present utilized and will have to employ safety devices at various points where existing electric lines are crossed. We venture the suggestion that a conservative estimate will indicate that such a system at the present time will cost materially over a million dollars. On this investment the consumer of electric light and power will have to pay interest charges and a Sinking Fund.

In the last paragraph of page 1 of your letter, you ask if this Company is prepared to undertake the entire distribution of hydro electric current within the City of Halifax. We beg to inform you that we are prepared to undertake this distribution within the City of Halifax and its suburbs. The Company stands ready to meet representatives of your Commission at any time you may suggest in order to discuss in detail the terms of a possible contract.

On page 2 of your letter you ask (1) what is the meaning of the expression "at cost". By this we mean that we will distribute the current at the cost which will include interest on the value of the light and power portion of this Company's undertaking, plus operating expenses and a fair allowance for depreciation.

On page 2 you ask (2) what is the meaning of the expression "generally". This term is used to indicate that in determining our cost we would use the same method that the Commission uses in determining its cost, but as the two situations are somewhat different, the comparison is not exact. One difference is that the Commission is charging a sinking fund, whereas this Company does not set up a sinking fund to retire its securities at any fixed period and therefore, such a charge is not passed on to the consumer as an item of cost. The other difference is in the matter of taxes. In this connection it is interesting to note that in 1920 the Company's City taxes amounted to \$72,977, the Provincial taxes \$22,829 and the Dominion tax \$6,522. The Provincial tax as you know will be materially higher from now on. We

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Think it is obvious that these taxes will of necessity have to be included in the Company's operating expenses and passed on the consumer. In section 35 of the 1920 statutes as cited above no provision is made to include taxes of this nature in determining the price to be paid by the Municipality for electric current but it appears obvious that the amount paid each year by this Company should be distributed pro rata over the charges it makes for the various services it renders to its customers.

On page 2 you ask (3) to what Statute do we refer. This reference is to the Statute creating the Water Power Commission of Nova Scotia and specifically is Chapter 6 of the Acts of 1919 entitled "An Act respecting the Development of Electric Energy from Water Power and Other Sources", as amended by Chapter 76 of the Acts of 1920, and more particularly Section 35 thereof. In determining our cost we would follow the same principles as laid down in the above Statute with the exception of the elimination of a sinking fund provision and the matter of taxes.

In regard to your inquiry concerning the valuation of this Company's property, it is proposed that such a valuation would be conducted by disinterested experts appointed by the Public Utilities Board. It is felt that a complete valuation of the property should be undertaken with each department, namely, the Tramway Department, the Light and Power Department and the Gas Department valued separately. It is thought that such a valuation could be made in the near future and a conclusion reached in September or October of this year. Such a valuation would include a complete inventory of the Company's property, with the values set down in minute detail. The Public Utilities Board has intimated that they expect to undertake ~~the work~~ a valuation of this character in the very near future and will appoint its experts to undertake the work. We believe that such an independent valuation would definitely dispose of any idea that may at the present time exist in the minds of the public as to over capitalization of the property, because the valuation will be made without any reference whatever to outstanding bonds, stocks or other securities.

We beg to assure you that we stand ready at any time to give you further information, or to attend a conference with your Commission.

W.L. Weston,  
Manager.

\* \* \* \* \*

Halifax, Nova Scotia,  
August 6th, 1921.

Nova Scotia Tramways & Power Co. Ltd.,  
Halifax, N.S.

Attention Mr. W.L. Weston, Manager.

Dear Sirs:- Re St. Margaret's Bay Development

I beg to acknowledge receipt of yours of the 23rd ult., re above subject, received on the 30th ult.

1. I note the reiteration of the opinion of your Company that it can distribute the power developed at St. Margaret's Bay at less cost to the consumer than can any other agency. In suggesting the discussion of a

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possible contract with your Company, the Commission was influenced by this important factor. It is the opinion of the Commission that, under proper conditions, there are many practical reasons that justify the position your Company assume towards this aspect of the problem.

2. I note further that in reference to my request as to whether you are prepared to undertake the entire distribution within the City of Halifax of Electric Energy supplied by the Power Commission, your answer is in the affirmative - that you are prepared to undertake this entire distribution, not only within the City of Halifax but the suburbs as well. This direct intimation on your part clears the way in that respect, and leaves no room for misapprehension between us.

3. In view of this attitude, it would seem quite practical that an early conference should be arranged, at which the general details of the requirements of a proper and effective distribution system might be usefully discussed. I am assuming that we both recognize the importance of this, and of having a clear comprehension of what is necessary, so that ample and timely provision is made thereof.

4. On the question of "Costs" I note your explanation. You state "That you will distribute the current at a cost which will include (a) interest on the value of the light and power portion of your undertaking, plus (b) operating expenses plus (c) a fair allowance for depreciation". The difficulty is no doubt the writer's, but you will observe that this explanation is not in express terms an answer to my specific inquiry, nor an amplification of your letter of the 24th of June last, addressed to Premier Murray, wherein you state that your Company "is prepared to undertake to deliver and sell the current so obtained to the citizens of Halifax at cost, such cost being determined generally upon the same principles as the cost of the hydro power to be sold to the Company by the Power Commission is determined by Statute". You will also note that in your letter to Premier Murray, you make use of the phrase "deliver and sell", but in your explanation to me, you refer to and use the phrase "distribute" only. Has this any significance or importance as far as you are concerned, and why have you adopted the apparently different and more limited terms in your letter to me?

5. In your letter to Premier Murray you submit for consideration two apparently distinct proposals, - (a) To enter into a contract with the Power Commission to deliver and sell to the citizens of Halifax at cost the Hydro Electric Power, or (b) Preferably, that your Company be placed under the Public Utilities Board, and a valuation made, etc. Your letter of the 23rd ult., does not separately deal with these two proposals, as suggested in my letter. The reason for directing your attention to this aspect of the matter is, that the Power Commission as such, is unable to deal with (b), but a clear understanding of the question involved in (a) might facilitate giving effect to the desire expressed upon your part that you be placed under the Public Utilities Board. If your Company were placed under the provisions of the Public Utilities Board, would you express the same views as to the factors to be included in my inquiry as to what was the meaning of your phrase "at cost"?



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6. Section 35 of the Power Commission Act expressly provides that a Municipality shall pay the cost of electric power or energy, and that in adjusting this cost, there shall be included,

- (a) Interest.
- (b) Sinking Fund.
- (c) Operating, supervising, maintenance, cost etc.
- (d) Cost of power purchased by the Commission.
- (e) Any other items chargeable to cost.

In view of the general interest in this question, and of the public or quasi public position of the Power Commission as referred to in the 5th paragraph of my previous letter, might I suggest with all deference that it would be useful to the Commission at the present time, to have you amplify your answer in this respect, having particular reference to paragraphs 7 and 8 on page 2 of your letter to me, and enumerate with the same detail as in said section 35, the various items which will guide and determine you in adjusting the cost by you to the citizens, if a contract is made by your Company with the Commission?

7. I quite appreciate the differences referred to by you in the 8th paragraph of your letter to me, and understand that the comparison cannot be exact. But for the reasons I have stated, a more detailed enumeration of the items to be included by you in Cost both for delivery and sale to the citizens would be more satisfactory to the Commission, and would I am sure assist negotiations, and favorably influence public opinion.

8. I need not suggest that obviously the Commission would appreciate an estimate of your part of the annual amount of each item under conditions as they obtain at the present time, disregarding the charges made by the Commission for power.

9. In the 7th paragraph of your letter to me, you state that one of the items to be included in cost is "interest on the light and power portion of your undertaking". Is it your intention that this shall include interest on your distribution plant, both present and future?

10. I would be glad to arrange a conference with you at an early date next week for the mutual consideration of a possible contract. If possible, I would suggest Tuesday next, say at 11 a.m. In the meantime, I would appreciate the additional information, suggested by this letter, or such of it as it is possible to furnish.

E.H. Armstrong,  
Chairman.

\* \* \* \* \*

Nova Scotia Tramways & Power Co. Ltd.  
Halifax, Nova Scotia, August 8/21

Mr. E.H. Armstrong,  
Chairman, Nova Scotia Water Power  
Commission, Halifax, N.S.

Dear Sir:- St. Margaret's Bay Development.

We acknowledge your letter of August 6th dealing with the above subject. We note the various questions you are asking in connection with the development and we are dealing with these questions below in the order you have

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followed in your letter.

1,2 & 3. It appears unnecessary to comment on these paragraphs as no definite questions are asked.

4. On this question of "cost" we are using the two phrases quoted believing that they are synonomous in every way. At any rate we so intended them to be.

5. (a) This Company is prepared to enter into a contract with your Commission to deliver and sell hydro electric power at cost to the citizens of Halifax and those residing in the suburbs. This was intended to be a definite and distinct proposal.

(b) It was suggested in our letter to Premier Murray that the Company should be placed under the Public Utilities Board and a valuation under taken by disinterested experts as it was felt that if such a course were adopted the Company's financial position would be materially strengthened to the distinct benefit of all concerned. It was also felt that if this were done it would definitely dispose of the theory held by many that the Company is permitted to earn of its outstanding securities instead of its actual value. If this Company were placed under the provisions of the Public Utilities Board we would still adhere to the same views as to the factors to be included in our meaning of the phrase "at cost".

6. In determining cost we would include the following:-

- (a) Interest
- (b) Taxes
- (c) Depreciation
- (d) Cost of power purchased from the Commission.
- (e) Line loss and the cost of operating, supervising, maintaining, repairing, renewing and insuring the works.

7. We submit that this paragraph has been answered above under # 6.

8. With reference to an estimate of the annual operating expenditure necessary for the Light and power portion of our business we are submitting below an estimate of what we think the Light & Power Department expenditures will be in the current calendar year. This estimate is based on the actual figures for the first six months of the year. As requested we are disregarding any power house of other costs entailed in securing current. We are also excluding taxes, interest and depreciation charges as these depend upon a careful valuation.

Distribution System Costs	\$59,235.
Customer's Premises Expenses & Street Lighting Expense	17,017.
Commercial Dep't Expenses including Meter Reating & Accounting Services	26,643.
General Expenses	58,272.
Miscellaneous Expenses including Insurance, Injuries & Damages Stationery & Printing & Stores Department	16,931.
	<u>\$178,098.</u>

9. It is our intention that the item "Interest" will include interest on our distribution plant both present and future, as it shall be valued from time to time by the Public Utilities Board.

10. We shall be glad to meet with you as suggested on ~~xxxxxx~~ Tuesday, August 9th at 11 a.m., at the office of

August 19th, 1921.

the Commission, Metropole Building, Halifax. At this conference we hope to be in a position to give you any further details you may require in case we have not fully appreciated all the matter set out in your letter.

W.L. Weston,  
Manager.

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VI. The Nova Scotia Power Commission,  
Halifax, N.S. August 12th, 1921.

John S. Parker, Esq.,  
Mayor, Halifax, N.S.

Dear Sir:- Re St. Margaret's Bay Development

I have the honour to acknowledge receipt of yours of the 10th and note that you are "calling a meeting of the Special Committee appointed by the City Council, to prepare a full detail of the report on the hydro electric development". It is not quite clear from your letter to what report you refer, nor is it quite clear from your letter what would be the purpose and object of having a full detail of the report to which you refer.

I note, further, that you trust this matter will be finally disposed of by the City Council within a "very few weeks". I submit, with all deference, that this is not very definite in view of the interests of the public, the City and the Commission, and the very great desirability of having some definite conclusions reached.

The question of the disposal of the power from the above development by the Power Commission is a matter of very considerable importance, and I need not say anxiety to the Commission. It must be apparent to you that the Commission has not at any time attempted to unduly hasten your deliberations in this matter, or to influence your decision in any way. At the same time, the Commission is of the opinion that something more definite should be vouchsafed by the City Council.

The Commission is creditably informed that a period of several months will be necessary from the time a decision is reached to connect the Commission's receiving Station with a distribution system in the City of Halifax; hence, the necessity, in any event, of a prompt decision.

In view of the intimation that you already have that the Commission has undertaken, and has now underway, negotiations with other parties, which negotiations were only opened after your Council had decided to have nothing to do with the purchase of power from the Commission, and in order to have the matter explicitly determined as to whether the City Council proposes to enter into a contract with the Commission or not, I am advised by the Commission to request from you a decision within ten days from date of this letter. If no such decision shall have then been reached, it must be clearly understood, as far as the Commission is concerned, that it will proceed with its present negotiations and can only infer that the City Council does not propose to enter into any contract with the Commission.

August 19th, 1921.

In the meantime, it must be clearly understood that the Commission does not propose to stay the progress of negotiations now underway. The Commission is, therefore very desirous that a decision be reached by your City Council within the time above expresses, assuring you at the same time of its willingness to co-operate in any way it possibly can in assisting the City Council in reaching a conclusion.

R.H. Murray,  
Secretary.

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VII. Halifax, N.S. August 18th, 1921.

His Worship the Mayor.  
Dear Sir:-

In compliance with your instructions dated, July 23rd we beg to submit herewith an approximate estimate of cost for the installation of a distribution system for the City of Halifax, including commercial lighting and power, residential lighting, street lighting and other municipal lighting and power.

The system is estimated to cover the cost installed complete of poles and equipment, high tension feeders from Armdale receiving station to substations at North and South ends of the City. Two substations with high tension transformers and switching equipment. Primary and secondary distribution lines with transformers and other necessary equipment complete of sufficient capacity to handle the estimated maximum output of 6,600 K.W. But making no provision for rights-of-way or land.

In making this estimate it has been assumed that duplicate pipe lines would not be considered. The alternatives would be either the installation of underground distribution or the renewal of the present pole lines of the Nova Scotia Tramway & Power Co. Ltd., using poles of sufficient length to carry the additional equipment herein estimated.

The last named plan though very expensive, is undoubtedly less costly than the first, and has therefore been adopted.

In view of the unusual conditions surrounding construction of this character, it is very difficult to make an estimate for which anything more than a rough approximation could be claimed.

Take for example, in the matter of renewing the pole lines, the problem that confronts the estimator is to determine the cost of removing the existing pole, dig and in most cases blast the hold deeper, transfer the existing lines and other before the new lines could be run. The difficulty is further increase due to lack of lack of both time and funds for a comprehensive survey of the whole territory.

With the date at your disposal, we estimate costs as follows:-

High tension equipment & substations	\$136,700.00
Street lighting equipment comprising, 100 Luminous Arc Lamps 470 Series incandescent lamps 600 c/p with brackets complete.	

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285 Series incandescent lamps 100 c/p  
with brackets, complete  
50 Railway bridge lamps @ 60 c/p  
All complete with transformers and other  
substation equipment together with line  
work including special equipment and  
underground wiring on Robie Street 95,380.00  
Power and Lighting system complete with  
distribution lines, transformers, services  
and meters. 956,380.00

Total.,.\$1,188,360.00

G.H. Durling,  
City Electrician.  
P.R. Colpitt.

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VIII. Chapter 66.

Passed the 28th day of May, 1921.

"An Act to Amend Chapter 6 of the Acts of 1919, entitled  
An Act Respecting the Development of Electrical Energy  
from Water Power and Other Sources.

Be it enacted, by the Governor, Council and Assembly as  
follows:

1. Section 30 of said Chapter 6 of the Acts of 1919 is  
hereby amended by adding the following sub-sections thereto-

(7). Any Municipality which has entered into a contract  
with the Commission for the supplying of electrical power  
or energy under this Act may,

(a) use such power or energy for the purpose of lighting  
its streets and municipal buildings and other property of  
the Municipality or for any other purposes of the Municip-  
ality;

(b) distribute the same throughout the Municipality by  
the erection of poles or towers or by underground conduits  
and the placing of wires, transformers and other equip-  
ment upon such poles or towers or in such conduits;

(c) sell or dispose of such power or energy or any part  
thereof to any person, firm, company corporate body or  
commission, including the Crown.

(d) dispose of the whole of such power or energy or such  
portion thereof as it does not require or otherwise dis-  
pose of, to any person, firm, company, corporate body or  
commission, including the Crown, having authority within  
the Municipality to supply electrical power or energy or  
to operate an electric tramway;

(e) employ all such officials, clerks and workmen as  
may be required, and

(f) include in its yearly estimates all such amounts as  
are necessary or proper for the due carrying out of the  
aforesaid purposes.

8.(a) Any money due to any Municipality for electrical  
power or energy supplies by such Municipality to any  
person, firm, company, corporate body, or commission, and  
any judgment in respect to same, shall, subject only to  
municipal taxes, be a first lien upon all the property,  
real, personal, or mixed or such person, firm company,  
corporate body or commission, in priority to all prior

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liens or encumbrances on such property provided however that such lien shall apply only to the amount due the Municipality for such electrical power or energy for a period not exceeding ninety days.

(b). There shall be included among the debts which under the "Assignment Act" the "Companies Winding-up Act" the "Bankruptcy Act" and other Act, are in the distribution of the property in the case of death or in the distribution of the assets in the case of winding-up, bankruptcy or insolvency or otherwise under said Acts respectively, to be paid in priority to all other debts the amount of any money due to such Municipality for the supply of electrical power or energy to any person, firm, company, corporate body or Commission, for the period of ninety days next preceeding the date of assignment, winding-up, bankruptcy or other proceeding.

(c) If any person, firm, company, corporate body or Commission supplied with electrical power or energy by any Municipality fails to pay the amount due for the same within the period of one month after the same becomes due, such Municipality may stop the supply of electrical power or energy to such person, firm company, corporate body or commission by cutting off the supply wire or by such means as the Municipality thinks fit and may recover the amount due up to such time together with expenses of cutting off the same in any competent court, notwithstanding any contract to furnish for any longer period.

2. The following Section is added to Part Three of said Act:-

40. (1) Any money due to the Commission under any contract for the supply of electrical power or energy to any corporation or person and any judgment in respect to same shall, subject only to municipal taxes, be a first lien upon all the property, real, personal or mixed, used in connection with the business or industry for which the same is so supplied, in priority to all prior liens or encumbrances on such property. Provided however that such lien shall apply only to the amount due to the Commission for the supply of electrical power or energy for a period not exceeding ninety days.

(2) There shall be included among the debts which under the "Assignment Act", the "Companies Winding-up Act", the "Bankruptcy Act", and any other Act, are in the distribution of the property in case of death or in the distribution of the assets in case of winding-up, bankruptcy or insolvency or otherwise under the said Acts respectively, to be paid in priority to all other debts, the amount of any money due to the Commission for the supply of electrical power or energy to any corporation or person under any such contract, for the period of ninety days next preceding the date of assignment, winding-up, bankruptcy or other proceeding.

(3). If any corporate or person supplies with electrical power or energy by the Commission fails to pay the amount due for the same within the period of one month after the same becomes due, the Commission may stop the supply of electrical power or energy from entering the premises of such corporation or person by cutting off the supply wire or by such means as the Commission thinks

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fit and recover the amount due from such corporation or person up to such time together with the expenses of carrying off the same in any competent court, notwithstanding any contract to furnish for a longer period.

true copy,  
J.M. Wall.

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IX. Halifax, N.S. August 13th, 1921.

His Worship the Mayor,  
City Hall,  
Halifax, N.S.

Dear Mr. Mayor:-

There are several points in connection with hydro electric which are disputed and only need authoritative statement to be determined.

One of them is whether the Nova Scotia Tramways & Power Company are now subject to the Board of Public Utilities in respect to rates to consumers especially for light and power.

Certain legislation affecting the tramway company which was passed last session but which has not yet been proclaimed by the Governor in Council is supposed in some quarters to leave the tramway company outside of the jurisdiction of the Board of Public Utilities until such time as this legislation is proclaimed and put into effect. It is not fully appreciated that this legislation only refers to the limit of maximum rates which the tram company has been permitted to charge. As long as the tram company's rates are not up to the limit the Company's rates for light and power are subject to the Board of Public Utilities and such rates can only be fixed by that authority.

As the tram company's rates for light and power are below the legislative limit and as these rates must go down on account of recent decisions separating one department from another, it follows therefore at the present time the tram company's rates for light and power are under the control and can only be fixed by the Board of Public Utilities quite irrespective of the legislation of last winter whether it is proclaimed or not.

Will you kindly submit this letter to the City Solicitor and ask him for an immediate opinion in writing on the above matter.

John W. Regan.

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X. Office of City Solicitor,  
Halifax, N.S. August 15th, 1921.

His Worship the Mayor,  
Sir:- Re Light Rates

Alderman Regan in his letter states the law as accurately as I can. The limitation imposed by the Act in incorporating the Nova Scotia Tramways & Power Co. prevents that Company from charging rates for light and power above those in force at the passing of the Act.

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They are now below those rates and can be increased up to the amounts then charged only by an order of the Utilities Board. They cannot be increased beyond that point without legislation.

F.H. Bell.

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XI. Nova Scotia Tramways & Power Co.  
Halifax, N.S. August 15th, 1921.

His Worship the Mayor,  
Halifax, N.S.

Dear Sir:-

We acknowledge your letter of August 11th in which you transmit a request from Alderman Regan for a statement as to what is the shortest period for which this Company would take over the distribution of the hydro electric current. The Company's Directors have not had an opportunity of passing on this phase of the situation but it appears safe to say that along term contract will be a real necessity if the Company is to raise funds with which to undertake numerous improvements. Obviously if funds are to be raised the Company's future must be placed on a stable basis and this cannot be accomplished unless the Company can be assured of a long term contract for hydro electric power. We believe that the Directors will feel that the term of this contract should be in the vicinity of 25 years.

W.L. Weston,  
Manager.

\* \* \* \* \*

XII. City Electrician's Office,  
Halifax, N.S. August 16th, 1921.

His Worship Mayor Parker.

Dear Sir:-

I am enclosing at the request of Alderman Murphy an approximate estimate of the chief items in my report of August 15th, 1921, regard to distribution of light power, and lighting, amounting to \$888,133.98.

Approx. Poles & Equipment

Poles	\$83,290.66	
Pole fittings & Guys etc.	36,629.70	
Hardware	<u>16,631.46</u>	\$136,551.82

Approx. Labour, Setting & Equipping Poles

Pole setting	179,760.00	
Preparing & equipping poles; fitting up arms; extra 500 arms for foreign attachments; hauling; digging deeper holes etc.	<u>43,639.56</u>	223,399.56

Approx. Copper Wire

405,527 lbs. copper wire, cost on poles		121,658.10
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August 19th, 1921.

Approx. Transformers

Cost of Transformers for 6660		
K.W. capacity	93,964.50	
Fittings for same	3,120.00	
Cost of hanging of same	<u>11,440.00</u>	108,524.50
Meters & services		148,000.00
Engineering & Contingencies etc. for the whole estimate		<u>150,000.00</u>
		\$ 888,133.98

G.H. Durling,  
City Electrician.

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XIII. Letter Alderman Murphy, August 18th, 1921 to the Mayor and Council (Incorporated in minutes of Special Committee).

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XIV. Letter Alderman Murphy, August 18th, 1921 to the Mayor and Council (Incorporated in minutes of Special Committee).

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XV. Letter Alderman Murphy August 18th, 1921 to the Mayor and Council (Incorporated in Minutes of Special Committee).

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XVI. Draft of resolution prepared by Alderman Murphy. (Incorporated in Minutes of Special Committee).

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XVII. Halifax District Trades and Labor Council, Halifax, N.S.  
August 13th, 1921.

J.S. Parker, Esq.,  
Mayor of Halifax.  
Your Worship:

At the last Council meeting held on the 10th inst., I was instructed to petition the City Council in the interest of the Unemployed to take over the "Hydro Power Developments" Also open up all sewer work to relieve the unemployed situation until such time as industry has improved.

S.J. Nott, Secretary.

Alderman Power claimed that the resolution submitted at meeting of Council May 20th, by Alderman Whitman as follows is now before the Council.

"RESOLVED that it is not advisable for the City of Halifax to enter into any contract with the Power Commission and advise that the Power Commission should make arrangement with any concern willing to distribute the current to the users of Electricity".

Continuing his contention Alderman Power claimed

August 19th, 1921.

the right to move the following amendment to Alderman Whitman's motion above quoted.

WHEREAS the Nova Scotia Power Commission has about completed a hydro-electric power development at St. Margaret's Bay, and the product thereof will be ready for distribution about the 1st of October next,

AND WHEREAS the introduction of cheap current for light and power purposes should be productive of much good to the citizens of Halifax.

AND WHEREAS the City Electrician has reported that it would cost \$1,188,000.00 to erect transmission lines in the City to distribute current to light and power users,

AND WHEREAS it is not desirable in the interests of the City to further increase the civic debt at this time.

AND WHEREAS it is desirable that the City should exercise control over the sale and distribution of said current.

AND WHEREAS it was the intention of the Act creating the Nova Scotia Power Commission that that Commission should wholesale its product to a Commission representing a Municipality.

THEREFORE RESOLVED:

1. That the City of Halifax enter into a contract with the Nova Scotia Power Commission to purchase the electrical current produced at St. Margaret's Bay upon terms and conditions hereafter to be agreed upon

2. That application be made to the Governor-in-Council for an undertaking to pass Legislation at the next session of local Parliament.

(a) Enabling a Commission to be appointed to represent the City in the purchase and sale of said electric current.

(b) The members of said Commission to be appointed by the Chief Justice of the Supreme Court of Nova Scotia to hold office for five years and to act without remuneration.

3. That said Commission be instructed to negotiate a contract with any existing distributing agency for the sale and distribution of the electrical current so produced on terms that will give the benefit of lessened cost to the electric light and power consumers of Halifax.

Alderman Power's amendment is seconded by Alderman Finlay.

His Worship the Mayor rules that Alderman Whitman's resolution of May 20th is not now before the Council and rules Alderman Power's amendment out of order.

Moved by Alderman Whitman seconded by Alderman Ackhurst that the majority report of the Committee dated August 18th, 1921 as quoted in the minutes of meeting of the Special Committee held on that day and incorporated

August 19th, 1921.

above in the proceedings of this meeting be now adopted by this Council.

Alderman Power again submits the amendment moved by ~~his~~ <sup>him</sup> at an earlier stage of this meeting. The amendment is seconded by Alderman Finlay.

His Worship the Mayor again rules Alderman Power's amendment out of order.

His Worship the Mayor is asked if there is a minority report from the Special Committee.

Alderman Ritchie on behalf of the minority of the members of the Special Committee replies that the minority report has not been reduced to writing but that he is now prepared to give a report verbally.

Alderman Ritchie verbally reports that the minority of the Special Committee recommended that the City take over the hydro-electric power developed by the Nova Scotia Power Commission at St. Margaret's Bay. R.M.  
R.C.

In amendment to Alderman Whitman's motion it is moved by Alderman Ritchie seconded by Alderman Murphy that the minority report of the Special Committee be adopted and that the City of Halifax take over the power developed by the Nova Scotia Power Commission at St. Margaret's Bay.

Alderman Ritchie's amendment is put and passed 9 voting for the same and 8 against it as follows:

For the Amendment:- Aldermen Finlay, Cameron, Murphy, Guildford, Scanlon, Ritchie, Power, Mason, Hubley - 9.

Against it:- Aldermen Colwell, Whitman, Ackhurst, Sanford, Bissett, Regan, Schaffner, Godwin - 8.

His Worship the Mayor declares the amendment carried.

Alderman Bissett gives notice of reconsideration.

OCEAN TERMINALS

Read letter Board of Trade on various matters in connection with the Halifax Ocean Terminals.

Mayor ✓  
Engineer ✓  
Electrician ✓  
Solicitor ✓  
Letter Hon. E.H.  
Amstrong  
under by post  
Nov 22/21

August 19th, 1921.

Board of Trade, Halifax, N.S.  
August 19th, 1921.

His Worship Mayor Parker,  
and Members of the City Council.  
City Hall, C i t y.  
Gentlemen:-

The South End Terminals Committee of the Halifax Board of Trade begs leave to report as follows re recent visit of Mr. S.J. Hungerford, Vice President, W.A. King-land, Superintendent of Eastern Services, and other officials of the Canadian National Railways:-

Paving of Passenger Station Yard

Mr. Hungerford announced that the contract for paving the station yard had been let to Messrs Pickrem & Gorman, and that work would be commenced as soon as materials were got together by the Contractors. At the instance of the Board of Trade Committee, Mr. Hungerford gave orders to pave a section of the yard adjacent to the curved wooden platform on the west side where the plans called for a grass plot. The Committee also arranged a conference between the railway officials and Mr. Weston, Manager of the Tramways, resulting in the Tram Company being given permission to extend their track some 200 feet, or to within a reasonable distance of the entrance to the station. Mr. Weston now has this matter up with his principals, and a satisfactory reply is looked for. //This paving takes in the extension of Hollis Street from South Street south, the entire station yard with the exception of a small grass plot north west of the station entrance, and the approach from Barrington Street.

Local Freight Yard

The Board of Trade Committee failed in their efforts to induce the railway officials to pave the roadways between the freight tracks as located west of the station. Mr. Hungerford, however, gave instructions for said roadways to be kept in good condition by cleaning up the dust and mud and filling in with coarse gravel. The roadways in future to be kept in good passable condition. Mr. Hungerford held out hope for the locating in the near future of the local freight yard north of the docks, where there is sufficient room for much more trackage than in the present location, which proposed location would be approached by extending Water Street along the water front west of the proposed immigration building - frame of which is not standing - thence in a curve to the head of the piers and to the Park, giving as the reasons, first, that he could not obtain the necessary funds, and secondly he was uncertain as to whether said roadway would solve the problem of doing away with the dangerous crossing across Barrington Street on the way to the Park. He seemed to be of the opinion that a tunnel under these tracks was not only feasible, but advisable, and should be built as soon as funds were available, and no doubt the extension of Water Street and new location of freight tracks would eventually follow.

Approach to Piers

As reported above, the proposed extension of Water Street along the harbour front to the head of the piers and thence to the Park, which was the project agreed upon a few weeks ago by a joint Committee, of

August 19th, 1921.

your Worship, the City Engineer and the Board of Trade Committee, was not entertained by the railway officials. Mr. Hungerford reported that the approaches to the piers from Barrington Street would be macadamized and kept in good passable condition for heavy truckage.

Mr. Hungerford put before the Committee the necessity of the City at once paving Hollis Street from Morris Street to where the railway paving commences - namely - south line of South Street. He pointed out that it was hardly fair to expect the railway to keep their new paving in good shape, with the City's Hollis Street approach little less than a mud hole. Nothing would prevent this mud being carried on to the station yard pavement. We have, therefore, to present to you the necessity of this paving being undertaken as soon as possible. No doubt Messrs Pickrem & Gorman would undertake the work at a reasonable rate. We wish to again point out that the section of Hollis Street referred to is the main approach to the passenger station, and the paving of same is not a sectional question, but in the interest of the entire City - to say nothing of the travelling public. We go as far as to say that Hollis Street should be paved even if the Tram Company refused to do their portion. Citizens generally would approve of the City paying the cost of the Tramway portion, taking such security as could be got. That is running the risk, if any, of the Tramway Company not refunding the amount involved; anything to put an end to the disgraceful condition of the south end of Hollis Street that has existed since the new passenger station was opened.

At the request of the Board of Trade, Mr. Hungerford gave instructions to remove the fence obstructing the temporary roadway between the south end of Water Street and Hollis Street which roadway makes an east haul for heavy traffic to and from the terminals. This was done with the understanding that the City Council would be requested to put in a proper stone crossing where said roadway crosses the Hollis Street sidewalk leading to the station. We feel confident we have only to draw your attention to this small piece of necessary work to have same proceeded with.

A.H. Whitman,  
On behalf of the South End Terminals  
Committee of the Halifax Board of Trade.  
E.A. Saunders,  
Secretary.

The letter is referred to the Committee on Works.

Moved by Alderman Whitman seconded by Alderman Colwell

that the Council adjourn. Motion passed.

LIST OF HEADLINES

Daylight Saving Time - 386.  
Curbs and Gutters Tenders - 386.  
Street Paving Repairs - 387.  
Hydro Electric Power - 388.  
Ocean Terminals - 428.

Council adjourns 12.30 o'clock.

*L. Fred Monaghan*  
L. Fred Monaghan,  
CITY CLERK.

J.S. Parker,  
MAYOR.

*Engineer*