

NORTHWEST TERRITORIES LEGISLATIVE ASSEMBLY

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The Honourable Paul Delorey, Speaker

Legislative Assembly of the Northwest Territories

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Yellowknife, Northwest Territories Thursday, October 23, 2008

Members Present

Mr. Abernethy, Mr. Beaulieu, Ms. Bisaro, Mr. Bromley, Hon. Paul Delorey, Mrs. Groenewegen, Mr. Hawkins, Mr. Jacobson, Mr. Krutko, Hon. Jackson Lafferty, Hon. Sandy Lee, Hon. Bob McLeod, Hon. Michael McLeod, Hon. Robert McLeod, Mr. Menicoche, Hon. Michael Miltenberger, Mr. Ramsay, Hon. Floyd Roland, Mr. Yakeleya.

The House met at 1:31 p.m.

Prayer

Prayer.

Speaker (Hon. Paul Delorey): Good afternoon, colleagues. Welcome back to the Chamber. Orders of the Day. Item 2, Ministers' statements. The honourable Minister of Municipal and Community Affairs, Mr. Robert McLeod.

Ministers' Statements

MINISTER'S STATEMENT 3-16(3) SCHOOL OF COMMUNITY GOVERNMENT REALIGNMENT

Hon. Robert McLeod: Thank you, Mr. Speaker. I am pleased to provide my colleagues with an update on the recent realignment of the School of Community Government, located in the Department of Municipal and Community Affairs.

First started in 1999, the School of Community Government was established to suit the unique needs and requirements of community government staff. Programming was designed to be relevant, specific to the mandate of community governments and provide practical experience. Courses were developed in a modular format and designed to be delivered in a community or regional centre, thereby reducing the cost of travel and time away from family, home and place of employment. This approach was unique to the North and provided education and training opportunities not available through other northern institutions.

The model first put in place in 1999 is still in place today and has proven to be extremely effective in removing many of the barriers community government staff had identified in taking advantage of other educational opportunities.

Over the past years the School of Community Government has delivered training to more than 2,700 community government employees in order to build local capacity to deliver quality municipal programs and services. The School of Community Government training is provided to a wide range of municipal staff, including mayors and councils, senior administrative officers, finance managers, lands officers, community firefighters and water treatment plant operators. The goal of the training is to build relevant skills and practical experience that community government employees can apply directly to their workplace.

By working with national and territorial partners, the School of Community Government achieves its objectives through an integrated training framework that is based on an assessment of community needs and priorities and delivered to an industry standard. Upon successful completion of training, community government staff participants achieve a recognized certification in their field.

Through a recent realignment Municipal and Community Affairs has established School of Community Government staff positions in four regional centres to continue to improve the school's ability to build community capacity. These positions are assisting communities by developing focused training plans and through the provision of general support to community governments in establishing human resource development strategies.

As part of the realignment the department is focusing its efforts to support new community government responsibilities and authorities under federal/territorial infrastructure programs and on those areas that support health, safety and infrastructure responsibilities of community governments.

The School of Community Government will continue to work closely with Aurora College on shared course deliveries and instruction, program certification and facility use. This partnership is an important success factor that helps contribute to the goal of improving community capacity.

Members of the 16th Legislative Assembly have emphasized the need for sustainable communities. This strategic realignment of training and development resources will serve to strengthen the skills and abilities of community government staff and in the long term will establish strong, independent communities.

Mr. Speaker: Thank you, Mr. McLeod. The honourable Minister of Education, Culture and Employment, Mr. Lafferty.

MINISTER'S STATEMENT 4-16(3) AURORA COLLEGE 40TH ANNIVERSARY

Hon. Jackson Lafferty: Mahsi. Mr. Speaker, 2008 is the 40th anniversary celebration of Aurora College. On September 12, graduates, faculty and supporters from past and present gathered at the Legislative Assembly to remember the past 40 years of the college and look towards the future. Throughout the year the celebrations will continue at each of the campuses.

The college has come a long way since 1968, when a single vocational centre was formed in Fort Smith. People travelled from all over the North, including what is now Nunavut, for the opportunity of adult education.

Now there are three main campuses in major communities, the Aurora Research Institute and learning centres across the Northwest Territories. The college has grown with the needs of northern students. Getting educated in the North will help Northerners to lead the wage economy in the Northwest Territories and be leaders and managers in all sectors of our economy.

The college offers a wide variety of courses, with subjects ranging from environmental monitoring to teaching and nursing bachelor degrees. Recently the college won awards for educational innovation for its diamond polishing program.

Mr. Speaker, innovations like the Mobile Trades Training Lab, the new residence in Inuvik and the new Underground Miner Training Program will ensure that the college keeps up with the needs of our growing industry and territory.

The future of the college looks bright. We should all recognize the important role that Aurora College and its graduates play in the Northwest Territories. Mahsi, Mr. Speaker.

Mr. Speaker: Thank you, Mr. Lafferty. Item 3, Members' statements. The honourable Member for Nahendeh, Mr. Menicoche.

Members' Statements

MEMBER'S STATEMENT ON IMPACT OF ESCALATING ENERGY COSTS

Mr. Menicoche: Thank you, Mr. Speaker. We all know that the Northwest Territories has some of the highest costs in the country. These high costs have a big impact on our cost of living. For example, in Fort Simpson the average personal income is around \$45,000. The monthly cost of electricity and

heat averages around \$600. This means that the cost to power and heat their homes is over 15 per cent of their income. People are struggling to make ends meet and falling further behind because of these escalating costs.

Mr. Speaker, during the last session I spoke about the high energy costs and the impact it is having in our communities. I spoke about the frustration community government leaders have with the cost of electricity and the management of the NWT Power Corporation. This frustration has led to the larger non-hydro communities like Fort Simpson, Norman Wells and Inuvik to consider a number of options, including finding alternate energy suppliers. If these three communities withdraw from the NWT Power Corporation, it could have a serious impact on the remaining NWT Power Corporation customer base and the overall operations of the NWTPC.

Mr. Speaker, community government leaders have met with the Premier, the Minister responsible for the Power Corporation, and the Minister responsible for the Public Utilities Board and discussed two options they would like the government to consider. One would be to treat every resident in the territory the same and bring in the one rate zone. The second option would be to sell the Power Corporation to another energy supplier with a capacity to develop some of the vast hydro potential in our territory. This alternative would allow the GNWT to rid itself of the debt load associated with NWTPC and lead to a reduction of electrical costs in the communities

Mr. Speaker, the government will be reviewing electricity rates, regulations and the power subsidy program over the next year. We need to take the recommendations made by our community government leaders seriously and consider all the options when looking for solutions that will provide all residents with affordable energy. This needs to be done as quickly as possible.

Mr. Speaker: Thank you, Mr. Menicoche. The honourable Member for Frame Lake, Ms. Bisaro.

MEMBER'S STATEMENT ON RESTRUCTURING THE NORTHWEST TERRITORIES POWER CORPORATION

Ms. Bisaro: Thank you, Mr. Speaker. There is a fundamental problem with the mandate of the Northwest Territories Power Corporation and the regulatory regime that it operates under.

Most of us do our best to reduce our power consumption for the benefit of both the environment — reduction of greenhouse gas emissions — and the consumer — less energy used means lower electricity costs — and we should be trying to

conserve for both of these reasons. The more we reduce our energy consumption, the less power we use. The less power we use, the more NTPC revenues drop. The more their revenues drop, the more riders they add to our bills. When NTPC cannot generate enough revenues to meet their expenditures, they ask for a rate increase or a rate rider to make up for lost revenue. The bottom line is that the dollar figure on our power bill goes up.

There is no incentive for an NWT homeowner to want to reduce energy consumption. Until we change this system, Mr. Speaker, we can never get ahead. Either the environment will take a beating or we will.

The government is reviewing electricity rates and regulation, as mentioned in Minister McLeod's statement the other day. The calculation of NWT power rates must be completely revamped with a view to fairness and equitability.

Capital costs for upgrades to power generation in one community have to be applied to all communities across the territory, not just to the individual community where the infrastructure is built. Individual communities cannot handle the high infrastructure cost on their own.

We also have to look at revamping the corporation itself. NTPC must be renewed and reorganized. That NTPC is at arm's length from the GNWT is a good thing, but I feel it has led to the mentality in the organization that they can do whatever they wish without consequences. There seems to be little concern for the consumers, for good business practices on the part of the NTPC's leadership, little desire to increase efficiencies and identify savings in order to keep our power rates at a reasonable level

A culture of efficiency and effectiveness must be instilled, with cost savings the number one priority for this company. For example, the corporation can eliminate management bonuses. It can stop the current massive advertising campaign that tells us how NTPC is going green and conserving. I have to wonder how much of those savings they are crowing about is being spent on advertising. The Power Corp can eliminate wasteful spending. I received a perfect example of such waste a few weeks ago.

Mr. Speaker, I seek unanimous consent to conclude my statement.

Unanimous consent granted.

Ms. Bisaro: Thank you, Mr. Speaker, and thank you to my colleagues. I received a perfect example of such waste a few weeks ago. It was a lovely colour report — of minimal value — many pages long and one sided printing; 30 pages of charts, one chart to a page. Several tables using three or

four pages would have provided the same information at a fraction of the cost. I really had to wonder what value that report had for me.

NTPC's board must be told that only after they have clearly demonstrated that all avenues for cost saving have been explored will they be allowed to consider power rate increases for its users. As I said before, it's the duty of the Power Corp to do everything it can to minimize the impact of power generation costs on the average Joe and Mary. Will that day ever come?

Mr. Speaker: Thank you, Ms. Bisaro. The honourable Member for Mackenzie Delta, Mr. Krutko.

MEMBER'S STATEMENT ON LEVELIZED POWER RATE STRUCTURE

Mr. Krutko: Thank you, Mr. Speaker. As we all know, power is an essential service that we all depend on, from heating our homes to turning our lights on, to maintain the community infrastructure and, more importantly, to generate the economic value we have by way of purchasing.

The Northwest Territories Power Corporation has a system of establishing rates by what we call community-based rates, better known as postage stamp rates, which means every community that has a power generating system, regardless if it's Northland Utilities or Northwest Territories Power Corporation, has to be assessed in regard to power rates. That costs in the range of \$3 million to \$5 million every two to four years.

Mr. Speaker, communities such as Colville Lake and Tsiigehtchic, which are paying in excess of \$2 per kilowatt — in the case of Colville Lake it is \$2.85 per kilowatt.... It's not economically viable for one community the size of Colville Lake or Tsiigehtchic to be able to sustain the power usage in that community without realizing there has to be a better system out there.

Most jurisdictions in Canada have switched to what we call a levelized rate, in which the power is based on different types of power generation, be it diesel, hydro or other ways of generating power. This government has to seriously consider levelized rates, regardless of whether it's going to be a rate for the Beaufort-Delta region, the Sahtu or the Deh Cho. All diesel communities will be on one rate system; the hydro communities would be on one rate system. We have to look at the savings this will bring forward.

Mr. Speaker, this government spends in excess of \$9 million subsidizing power throughout the Norwest Territories. By reinvesting the \$9 million and the \$3 million we spent in regard to rate application, \$12 million dollars could be reinvested in new energy projects such as hydro, wind, solar. I

think it's something this government has to take seriously in regard to where we spend our money.

Mr. Speaker, at the appropriate time I will be asking the Minister responsible for the Public Utilities Board questions on this matter.

Mr. Speaker: Thank you, Mr. Krutko. The honourable Member for Sahtu, Mr. Yakeleya.

MEMBER'S STATEMENT ON PRIVATIZATION OF NORTHWEST TERRITORIES POWER CORPORATION

Mr. Yakeleya: Thank you, Mr. Speaker. I, too, want to join my colleagues in talking about the high energy cost situations in our small communities, which Mr. Krutko, the Member for Mackenzie Delta, alluded to.

I would like to talk about the concept of privatizing our corporation. We have a Crown corporation. There are a number of arguments that say: don't privatize; don't get into community ownership; we're too small or we're not well equipped to have a Crown corporation go into the private sector. I think that's totally wrong. I think you have to give the ownership back to the people.

There are major corporations now in our communities and our regions that could look at having ownership. There is the Gwich'in Tribal Council; there's the Sahtu Corporation, the Deh Cho, Akaitcho, and right down the valley into even ATCO, which has major operations in the field that go into Alberta. They have a number of plants in the Northwest Territories that operate services. They are out of another jurisdiction; however, they can provide cheaper power in the Northwest Territories.

We have a Crown corporation like the federal government. When they have Crown corporations and they're in trouble, they sell them off. They'd sell them off to the people who could do better for our people in the Northwest Territories. I know there's enough initiative going on that hopefully in the next year, the government will come back with some initiatives in terms of how we reduce the power.

Sometimes in the small communities we just want to know that our power rates will be stabilized and won't go up any further. There are people in the Northwest Territories who get assistance from the federal government in terms of their power rates. We also receive that assistance through subsidies. Yet we're told that these subsidies are going to grow every year, and if we don't do something, it's going to be costing us more and more.

As Members we have to start prioritizing what is more important: infrastructure or subsidies? How do we best serve our people? Mr. Speaker, I think the option is to seriously consider privatizing the Crown corporation; give the regional communities and

individual corporations an opportunity to look and see if it's feasible. If it's not, then we certainly can have that further discussion. But I say give the power back to the people. We are the owners of the Power Corporation. Among us here, we represent the ownership, so I think we should have a further discussion on privatization.

Mr. Speaker: Thank you, Mr. Yakeleya. The honourable Member for Weledeh, Mr. Bromley.

MEMBER'S STATEMENT ON INDEPENDENT REVIEW OF NORTHWEST TERRITORIES POWER CORPORATION

Mr. Bromley: Mr. Speaker, we are overdue for a thorough and independent review of the Northwest Territories Power Corporation, its operations, its innovations and its response in meeting the evolving needs of communities and residents. It is my view that this review should include the potential need for a complete restructuring.

The Power Corporation is a utility — a public utility, an arm of the GNWT — rather than a private corporation, but this is not reflected in its attitude. It has been six years since the Public Utilities Board ordered the Power Corporation to file interconnection standards for net metering, yet we are still awaiting these. While millions of such systems exist around the world, there is yet to be a single residential grid size power system in the Northwest Territories.

Power rates do indeed need to be reviewed. There is some help required for some of our communities that are paying really exorbitant costs, but rates should be designed in ways that still reflect the local cost of power, and that's going to be tricky. We need to focus on bringing down costs where they are high, and any new or additional revenue should be directed to achieving our multiple goals of reducing costs and greenhouse gases, increasing community self-sufficiency and developing our local economies.

Mr. Speaker, the government has embarked on a review of electrical rates in the Northwest Territories. However, I am concerned that reviewing the rates without a thorough review of our power provider will not move us forward on this issue.

Some communities, residents and businesses are beginning to propose, design and even implement their own power systems because of the intolerable costs and barriers they face. Increasingly, efficient appliances and homes are becoming available. These situations reduce power demand to the Power Corporation facilities and, given the stagnant response of our corporation, end up driving up costs for other consumers.

Rather than fighting these trends, we need a progressive power company that embraces new ways of doing business and that partners with individuals, businesses and communities — one that helps bring state of the art technology into service and strengthens community self-sufficiency by encouraging local energy solutions. Our communities provide their own water and sewage services, including billing and accounting. There is no reason they cannot be further engaged in the provision of power services.

Mr. Speaker, I request unanimous consent to conclude my statement.

Unanimous consent granted.

Mr. Bromley: Thank you, Mr. Speaker. Instead, the record reveals a corporation with little innovation, one that pays out the highest bonuses and compensations we have despite some attempt at curtailment by our Public Utilities Board, and a performance that is flagging with lack of leadership. Let's grab this bull by the horns, do the review and structure our power systems to be responsive and responsible to the needs of our citizens and our communities. Mahsi.

Mr. Speaker: Thank you, Mr. Bromley. The honourable Member for Nunakput, Mr. Jacobson.

MEMBER'S STATEMENT ON INCREASING POWER SUBSIDY LEVELS TO 1000 KILOWATT HOURS

Mr. Jacobson: Thank you, Mr. Speaker. The people of the Nunakput riding face some of the highest power rates in the Northwest Territories. Living farther north than many other residents in the Northwest Territories also means that our lights have to be on longer in the winter and heating on in our homes for a longer time in the season. The furnaces are on for longer periods of time.

To put this simply, 700 kilowatt hours that are subsidized for Yellowknife rates by the Territorial Power Support Program are not enough. I know of families that are struggling to pay power bills for a modest three bedroom home. Overcrowding in many of our homes means more showers, more loads of laundry and television watching, which means higher power bills. As a father, Mr. Speaker, you know that one of the definitions of a teenager is a young person who does not know how to turn off a light switch. Everything that teenagers do.... The video games, watching videos, listening to music, learning on computers and connecting with the world around them all take power.

I did some quick calculations using information available on the NTPC website that shows the residents of Tuktoyaktuk and Ulukhaktok pay about twice the cost of power of Yellowknife once the

subsidy runs out. Sachs Harbour and Paulatuk pay about four times the cost. So for every \$100 people in Yellowknife pay, the people I represent are paying \$200 to \$400 more for the same power amount. This amount is compounded by having to pay the GST on the total of the power bill. When I add this to the cost of home heating fuel, the cost of groceries, the cost of clothing your family and your children, I clearly see that the people I represent are struggling. I believe the power subsidy program is a good program but should be modified to recognize the actual power requirements required to run a modern household in different regions of the Northwest Territories.

I believe, Mr. Speaker, the amount of kilowatt hours subsidized to Yellowknife rates should be raised to 1,000 kilowatts in the communities that I represent.

Mr. Speaker, I seek unanimous consent to conclude my statement.

Unanimous consent granted.

Mr. Jacobson: Thank you, Mr. Speaker. I will have questions for the Minister responsible for the Financial Management Board Secretariat at the appropriate time.

Mr. Speaker: Thank you, Mr. Jacobson. The honourable Member for Great Slave, Mr. Abernethy.

MEMBER'S STATEMENT ON RESTRUCTURING THE NORTHWEST TERRITORIES POWER CORPORATION

Mr. Abernethy: Thank you, Mr. Speaker. Last week in this House the lead Minister for the Ministerial Energy Coordinating Committee tabled the draft NWT Hydro Strategy and GNWT Energy Priorities Framework. Energy is an increasingly important issue for our constituents. How much do we have? How much does it cost? Can our environment cope with our demand? The GNWT also faces increased energy costs along with higher costs for services we already provide and strategic initiatives we would like to pursue.

We are looking at expanding our existing hydro development to offer electricity to industry. We are looking at alternative energy sources like biomass and wind. These are all worthwhile clean energy initiatives that can help address our energy needs in the NWT in the future, but they will not address the majority of our energy needs in the foreseeable future. Meeting these energy demands of our territory will require huge investment. With our own borrowing limits set at \$500 million by the federal government and limited capacity under this limit to borrow, how will we take the bold steps required to do progressive things on the energy front?

The energy potential of our territory is huge. The Premier has made comments in this House about leaving no stone unturned to come up with solutions for our energy problem. I believe that the Northwest Territories Power Corporation should play a role in this solution. The NWT Power Corp sometimes get a bad rap, and rightfully so, for increasing our power rates when the costs to generate this fuel are going down or when the power consumption of our residents is also going down. I sometimes question whether we need the Power Corporation at all. They are supposed to be the people's power supplier, yet there seems to be limited thought about the public as prices continue to climb and bonuses continue to be offered to senior staff. The business case that the Power Corporation is based on seems antiquated and in dire need of a complete makeover or a complete elimination and substitution with something unique, built by Northerners for Northerners.

Also, the fee structure is based on a southern model from decades ago, which may never have been the right model for the Northwest Territories. I hope the future role of the NWT Power Corporation will be based on a new approach to an old problem. I am encouraged to see talk of partnerships in the documents I mentioned earlier in my statement.

Partnerships can bring new ways of doing things, larger amounts of capital investment dollars and expertise in their respective fields. The NWT is growing in stature, and thinking only within our borders about solutions to bigger issues belongs in the past.

I will have questions for the Minister responsible for the NWT Power Corporation at the appropriate time.

Mr. Speaker: Thank you, Mr. Abernethy. The honourable Member for Hay River South, Mrs. Groenewegen.

MEMBER'S STATEMENT ON COMPREHENSIVE REVIEW OF POWER AND ENERGY PRODUCTION

Mrs. Groenewegen: Mr. Speaker, this is a very complex subject as we struggle here in the Northwest Territories to find the most efficient means to deliver reliable energy to the communities of the Northwest Territories.

Again we're faced with the remote and rural nature of many of our communities, the far distances we have to haul fuel to feed diesel generators, the disparity that's created when some communities are able to be supplied from hydro — all of this within the context of a relatively small territory in terms of population. We struggle with all of these things, but we need a very comprehensive review of everything related to the production, distribution

and creation of energy and power here in the Northwest Territories.

I've heard some of my colleagues refer to privatization. I think that we should leave no stone unturned. I think we should look at everything. We talk about regulation. We talk about a monopoly. We talk about community empowerment and communities taking on this role. We talk about a single rate zone, levelized rates, the overhead of NTPC, the fuel costs which are out of our control, community based rates and power subsidies. All of these are very, very complex issues.

Although in a community like Hay River, we are probably the envy of other communities when it comes to our power rates. I want to assure Members that even in Hay River the residents do struggle with the cost of energy and with our cost of living there. We still are a northern community. We have a very cold environment to deal with. I know that compared to Mr. Jacobson's riding, maybe it sounds like we don't have a lot to worry about.

An idea was brought forward — not my idea but one of my colleague's — which I thought had some merit. Rather than raising the 700 kilowatt per hour limit for communities where the costs are higher than Yellowknife's, perhaps we should look at the communities whose cost are lower than Yellowknife's, and we should put a cap of paying the market rate up to 700 kilowatts. Perhaps again, this could be considered in a review of our power rates. Perhaps those communities which have the lower rate would be willing to pay a premium on their consumption over the 700 kilowatt hours, which could be then redistributed to assist those folks who are operating on community based rates and very much struggling with their energy costs.

Mr. Speaker: Thank you, Mrs. Groenewegen. The honourable Member for Kam Lake, Mr. Ramsay.

MEMBER'S STATEMENT ON ENERGY CONSERVATION CONTRADICTION

Mr. Ramsay: Thank you, Mr. Speaker. I'm going to join my colleagues today in discussing issues related to power rates and the operation of the Northwest Territories Power Corporation.

Power rates and the operation of the NWT Power Corporation have been cause for much discussion and corresponding motions in this House over the five years that I've been here. There are some things I just don't understand when it comes to the NWT Power Corporation. The first is that because of climate change and high prices for power, Northwest Territories residents have been doing all they can to limit their usage of power. The overall power consumption has been reduced in our territory because of conservation, Mr. Speaker. Why is it, then, that if conservation is taken

seriously by our residents, rates are proposed to go up? People don't understand this, and I don't understand it.

Also, the General Rate Application is predicated on the price of oil being \$140 a barrel. Over the past six months the price of oil has fallen to \$65 a barrel, and some economists and industry experts even predict \$50 a barrel by Christmas. This makes it very difficult for residents to understand why the increase to their power rates is necessary. The whole premise for the increase is now completely blown out of the water, Mr. Speaker. The government better get ready to explain and answer to residents across this territory this winter when they are hit hard by these increased rates.

Another thing I don't understand is why some communities in the Northwest Territories today are paying 25 to 35 per cent more for power than other comparable communities serviced by the Power Corporation. Communities serviced by Northland Utilities, like Trout Lake, pay less than a counterpart community like Nahanni Butte, which is serviced by NWT Power Corporation.

In dealing with power rates, I'm of the belief that as a government our first priority and responsibility is to deliver the best, most affordable power rates possible to our communities and the residents who live there. Why do we allow the Northwest Territories Power Corporation to continue to pay out bonuses to senior management when many in our communities struggle every month to pay the power bill?

We need to re-examine the entire structure of the Northwest Territories Power Corporation and its subsidiaries. It's getting overly complicated and difficult to understand its role and mandate. On behalf of the residents of the Northwest Territories it's high time to take the action necessary to restore public confidence in the Northwest Territories Power Corporation. Mahsi.

Mr. Speaker: Thank you, Mr. Ramsay. The honourable Member for Tu Nedhe, Mr. Beaulieu.

MEMBER'S STATEMENT ON COST DRIVERS RELATED TO HIGH ENERGY COSTS

Mr. Beaulieu: Mahsi cho, Mr. Speaker. [English translation not provided.]

Today, like my colleagues, I would like to talk about the high cost charged to our residents by the NWT Power Corporation.

My constituents have expressed many concerns over their power bills and the seemingly increasing power rates. This burden has been made even more difficult to deal with when they hear about bonuses that are being paid out to NWT Power Corporation executives while they shuffle their meagre budgets to pay for the basic essentials of life

I looked into the operating cost distribution of the Power Corporation and was appalled to find out that as a business entity the NWT Power Corporation profit represents only 11 per cent of total operating costs, while interest payments represent almost 13 per cent of total operating costs. In addition to this, Mr. Speaker, the Power Corporation is charging almost 16 per cent of total operating costs towards amortization payments, for a total of almost 40 per cent being charged out in these three areas.

Mr. Speaker, with the high fuel costs during resupplies adding to the already high cost of living for NWT residents, I would like to know if the NWT Power Corporation is exercising fiscal responsibility and looking at cost breakdowns of these cost allocations. Surely these are areas that can be adjusted downwards to lower the overall operating costs at the NWT Power Corporation, and these savings can be passed on to residents of the NWT.

In Fort Resolution we see power from the Taltson hydro dam, while in Lutselk'e the residents are solely dependent on diesel. Both communities, however, consider the power rates to be much too high.

Mr. Speaker: Thank you, Mr. Beaulieu. The honourable Member for Yellowknife Center, Mr. Hawkins.

MEMBER'S STATEMENT ON RESTRUCTURING THE NORTHWEST TERRITORIES POWER CORPORATION

Mr. Hawkins: Thank you, Mr. Speaker. The Power Corp issue is an accountability issue for me. It's about value for money. The day to day question is: how is it being operated? Are we getting the money that we expect out of this organization? Are we getting the accountability out of this organization that we expect for our citizens in the territory?

Mr. Speaker, I think the government has a role to play. I think it's time to roll the NWT Power Corp into the territorial realm of responsibility, just like any other department. They act like a department but with the independence of free rein. It's a grey area as they exist right now. They're not privatized, but they're not quite government, so they get to sort of play on their own field the way they want. If they set their own rules, who gets punished? The consumer.

I wouldn't suggest we ram the PUB through any type of exemption or roll it into the GNWT. I still think today that it provides a service, but the fact is I believe in better performance, and what better performance than bringing it here to the floor of this House for that type of scrutiny?

Mr. Speaker, it's about accountability that I don't think exists. It wasn't that long ago we heard about the U.S. bailout. What it did was it helped look at bad practices. It helped look at bad policies. That bailout also helped look at — and by the way, rewards, bonuses for their CEOs who run this corporation.... I question this: what about the efficiency of the NWT Power Corp? Does the rate increase, in my mind, mock or similarly look like a proposed rate increase versus a bailout package? Possibly. In my view it's scandalous. It looks at rewarding bad policies that aren't reviewed by us. It looks at rewarding bad management, possibly not reviewed by us. And certainly it rewards CEO bonuses, again unaccountable and not examined by us.

Mr. Speaker, my issue is about having confidence in the system. The way it's set up today, I don't have confidence in the way it's structured.

I'm going to close by saying we could probably do the best for our citizens by having it here, accountable in the Legislature, where it belongs.

Mr. Speaker: Thank you, Mr. Hawkins. Item 4, reports of standing and special committees. The honourable Member for Nahendeh, Mr. Menicoche.

Reports of Standing and Special Committees

COMMITTEE REPORT 1-16(3) REPORT ON THE REVIEW OF THE HUMAN RIGHTS COMMISSION 2006–2007 REPORT

Mr. Menicoche: Thank you very much, Mr. Speaker. A report on the review of the Human Rights Commission 2006–2007 report.

Introduction

The Standing Committee on Government Operations met on October 9, 2008, to review the 2006–2007 report of the Human Rights Commission. The committee would like to thank Ms. Mary Pat Short, Chair of the Human Rights Commission, and Ms. Thérèse Boullard, director of Human Rights, for appearing before us.

2006-2007 Annual Report

The 2006–2007 report does not include any recommendations; however, the committee would like to take the opportunity to comment on other issues that were discussed during our public meeting.

The 2006–2007 annual report was the third report of the Human Rights Commission since its

establishment on July 1, 2004. The committee welcomed the concise and visually informative new reporting format and is pleased with the commission's offer to include a community breakdown of the origin of inquiries and complaints in future reports.

The committee was pleased to hear of the progress the commission has made in raising awareness about human rights through its education and outreach activities, including community visits, public presentations, information sessions, educational audio conferences and several publications. The success of the Human Rights Commission's awareness activities appears to be clearly demonstrated by the steep increase in inquiries, from 253 in the previous year to 427 in 2006–2007.

The committee welcomes the commission's approach to addressing issues of discrimination in the workplace through the publication of Employer's Guide to Human Rights, Duty to Accommodate, and Alcohol and Drug Testing, combined with information sessions that were conducted for employers.

The committee appreciates the work of the Human Rights Commission with youth and schools, in particular the development of resources addressing bullying among students.

We acknowledge the commission's efforts to bring education and awareness workshops on human rights and the NWT Human Rights Act to all regions of the Northwest Territories. The committee highlights the importance of visits to smaller communities, as they will provide residents with a better understanding of their rights under the act.

The committee understands the commission's need for funding increases due to the growth of inquiries and hearings before the Human Rights Adjudication Panel. However, the committee is concerned about the ability to fund continued budget increases without compromising service and outreach activities in future years.

Conclusion

The committee commends the commission's work and achievements to date and looks forward to monitoring the continued evolution of human rights in the Northwest Territories.

Mr. Speaker, I move, seconded by the honourable Member for Yellowknife Centre, that Committee Report 1-16(3) be received and adopted.

Motion carried.

Mr. Speaker: Item 5, returns to oral questions. Item 6, recognition of visitors in the gallery. The honourable Member for Monfwi, Mr. Lafferty.

Recognition of Visitors in the Gallery

Mr. Lafferty: Mahsi, Mr. Speaker. It gives me great pleasure to recognize some of the students here from the Aurora College Social Work Program. There might be some names that might be challenging, but I will do my best: Dolly Pierrot, Joy Muyambo, Tania Ramm, Janell Dautel, Faith Woodruff, Shirley Tsetta, Mary Ann Jeremickca, also a Tlicho member, Jackie Chinna, Nellie Norwegian, Cecile Deneyoua and instructor Bruce Stewart. Thanks for coming.

Hon. Sandy Lee: It gives me great pleasure to join Mr. Lafferty to recognize another class, nursing students, from Aurora College: Jenna Alexander, Leslie Bader, June Bartlett, Heather La Foy, Lindsay Ransom, Shannon Rutherglen, Ayrma Schreurs and instructor Vee Faria. We would like to welcome them.

Hon. Michael McLeod: Mr. Speaker, it's not every day that the women outnumber the men here in the House. I would like to welcome all the students from Aurora College, especially the students from the second year Social Work Program. I have two former constituents who are in the program, and I would to welcome them: Nellie Norwegian from Fort Providence and Cecile Deneyoua, formerly from Fort Providence and now living in Hay River. I'd like to say welcome to both of them.

Mr. Yakeleya: Mr. Speaker, I would also like to welcome a constituent of mine who's taking this valuable program for the people in the Sahtu: Ms. Dalphine Pierrot of Fort Good Hope, working in Norman Wells. I would also like to welcome Cecile Deneyoua, my sister-in-law.

Mr. Bromley: I'd like to recognize Leslie Bader, at least a former constituent — perhaps still — and a practitioner of the arts. Welcome, Leslie.

Mr. Speaker: I, as well, would like to welcome Cecile Deneyoua to the gallery today. She's a constituent of mine from Hay River. To anyone else in the gallery that we've missed today, welcome to the House. I hope you're enjoying the proceedings.

Item 7, acknowledgements. Item 8, oral questions. The honourable Member for Tu Nedhe, Mr. Beaulieu.

Oral Questions

QUESTION 19-16(3) NWT POWER CORPORATION OPERATING COSTS

Mr. Beaulieu: Thank you, Mr. Speaker. As all of us gave Member's statements on the Power Corp today, I have questions for the Minister responsible

for the NWT Power Corp. Can the Minister advise me if the NWT Power Corporation can re-examine their cost allocations in non-tangible areas such as profit, interest and amortization and try to lower the costs in those three areas?

Mr. Speaker: Thank you, Mr. Beaulieu. The honourable Minister responsible for the NWT Power Corporation, Mr. Roland

Hon. Floyd Roland: Thank you, Mr. Speaker. When the Power Corporation files for any rate applications or changes to its rates, it goes under review by the Public Utilities Board. It looks at the whole gamut of the operation in the Power Corporation. Those are areas that would be reviewed.

Amortization deals with the capital expenses of the public corporation and replacing assets that are on the ground that would need to be replaced, such as power poles, generation facilities and so on. We try to do the best we can in dealing with those areas. In fact, I believe we provide information to Members on the breakdown of those particular areas that affect the price rates that we pay in our communities.

Mr. Beaulieu: Mr. Speaker, considering that the fuel resupply had occurred when fuel costs were at their highest, can the Minister advise if the NWT Power Corporation can do a comprehensive review of what they are charging the communities that are currently locked into the high cost of fuel that was resupplied this summer?

Hon. Floyd Roland: Mr. Speaker, the fuel resupply is something we work with the Department of Public Works and Services, Petroleum Products Division on. We combined the services I believe a couple of years ago so that we can enjoy a better sale price, if we can put it that way, on bulk purchasing of our product and our storage facilities in communities. The unfortunate thing is that when resupply happened, it was at about the highest price of oil throughout the season. That's a difficulty we face. Already the Power Corporation is having to deal with the higher prices from future years. That's why a rate application went into the system.

As for trying to go back and redo it and look at it for this fiscal year, that would be very difficult, because the Power Corporation operates under, I guess in a sense, the evaluation of the Public Utilities Board, which looks at the operation and what it can charge for rates in communities.

Mr. Beaulieu: Mr. Speaker, in addition to the regulatory regime that directs the Power Corp and helps the Power Corp set their rates, can the Minister direct a comprehensive review of the NWT Power Corporation to examine its full operating costs, especially in the area of how they acquire the infrastructure?

Hon. Floyd Roland: Mr. Speaker, the process we're involved with now is looking at the energy costs in the Northwest Territories through the Ministerial Energy Coordinating Committee as well as going through our business plans, looking at alternatives of operation. I met with the Northwest Territories Power Corporation board and discussed with them some of the impacts in the Northwest Territories. We need to definitely look at all of the operation. As Member Groenewegen stated, don't leave any stone unturned.

Mr. Speaker: Thank you, Mr. Roland. Final supplementary, Mr. Beaulieu.

Mr. Beaulieu: Thank you, Mr. Speaker. It appears that other companies in other jurisdictions that provide power with hydro are able to provide that power to their customers at a much lower rate than the NWT Power Corporation is able to do. Can the Minister direct the NWT Power Corporation to examine a way to reduce the costs of hydro to the communities?

Hon. Floyd Roland: Mr. Speaker, the process that is in place right now is one, again, where the rate structure that's in place is one the PUB operates under. We've heard one of the Members talk about community rate zones or postage stamp areas. In the last process when that issue was discussed, the Public Utilities Board stated that it would be up to the Assembly to decide what structures would be put in place. We couldn't say for ourselves that we could direct the Power Corporation to lower rates in hydro communities alone. We would have to look at a structure through this forum here and decide if we want to make changes to our legislation that could affect how rates are looked at and then how the PUB would regulate that from that point on. So we're prepared to look at all options that are before us in the Territories, but the direction for that side of it would have to come from this House.

Mr. Speaker: Thank you, Mr. Roland. The honourable Member for Great Slave, Mr. Abernethy.

QUESTION 20-16(3) FUTURE ROLE OF THE NORTHWEST TERRITORIES POWER CORPORATION

Mr. Abernethy: Thank you, Mr. Speaker. My questions today are for the Minister responsible for the NWT Power Corporation. I was wondering if the Minister could tell me what role he sees for the NWT Power Corp in the energy future of the Northwest Territories.

Mr. Speaker: Thank you, Mr. Abernethy. The Minister responsible for the Power Corporation, Mr. Roland.

Hon. Floyd Roland: Thank you, Mr. Speaker. I guess the simplest way of saying it is that the role of the Power Corporation into the future of the Northwest Territories is one that's evolving. Again, I met with the board of the Power Corporation. I stated that we have to look at how we operate and look at all facets of it. The fact that we have to look beyond the existing framework that's in place is something that we shouldn't shy away from as we look forward to how we generate and deliver power in the Northwest Territories.

Mr. Abernethy: Thanks to the Premier for that response. Could the Premier also tell me what kinds of partnerships are possible on energy projects?

Hon. Floyd Roland: Mr. Speaker, the partnership question is one where, as the Government of the Northwest Territories, we have to open the door on it more. In fact, there are already a number of partnerships that have been formed with the Power Corporation; ffor example, on some of our hydro facilities with aboriginal companies corporations in the Northwest Territories. But if we're going to go and look at the hydro strategy that's been put before the Members, if we're going to invest in that in the Northwest Territories, we're going to have to partner up with companies that have deep pockets and as well have expertise in those areas. So, again, we have to look at our role as one that's changing and evolving as we grow as a territory.

Mr. Abernethy: Once again thanks to the Premier for that response. Could the Premier also tell me what specific NWT energy projects could gain from partnerships with private industry?

Hon. Floyd Roland: Mr. Speaker, there are quite a number of projects that could benefit. There is a history within the North of partnering with some of the companies here in the Northwest Territories. The Taltson hydro project is an example of forming a partnership with aboriginal companies in the Northwest Territories. I think that is another example of how we move this project ahead when we get to the next stage after environmental review.

When it comes to the actual financing of the project, how do we move this ahead? The GNWT itself, as we talked about, as Members are aware.... The fiscal restraint that we face, our borrowing limit, all have an impact on the speed that a project of this nature can advance. We would have to look at projects like that. If we're going to expand further, there have been discussions in the past with the Sahtu people about development of hydro there. We need to form partnerships with aboriginal partners in the Northwest Territories, and we'll look for partners who have deep pockets.

Mr. Speaker: Thank you, Mr. Roland. Final supplementary, Mr. Abernethy.

Mr. Abernethy: Thank you, Mr. Speaker, and once again thank you for that response. Is the GNWT or the NWT Power Corp actively seeking partnerships on any energy projects in the NWT?

Hon. Floyd Roland: Mr. Speaker, there are some partnerships that have been formed, so the Power Corporation is involved in those. Are we seeking beyond that at this point? When I met with the Power Corporation board, the chairman as well, I stated that it's something we have to pursue. The Government of the Northwest Territories side of it as well as the Power Corporation needs to pursue partnerships out there to come up with options. We shouldn't always put our eggs in the basket of the federal government, for example.

Mr. Speaker: Thank you, Mr. Roland. The honourable Member for Weledeh, Mr. Bromley.

QUESTION 21-16(3)
REVIEW OF ELECTRICITY REGULATION,
RATES AND SUBSIDY PROGRAMS

Mr. Bromley: Thank you, Mr. Speaker. I'd like to follow up on the questions for the Minister responsible for the Power Corporation. Does the current review of electricity rates that is in process include a review of the Power Corporation performance, its corporate innovation and so on?

Mr. Speaker: Thank you, Mr. Bromley. The honourable Minister responsible for the Power Corporation, Mr. Roland.

Hon. Floyd Roland: Thank you, Mr. Speaker. The work that we're doing on the Ministerial Energy Coordinating Committee and looking at the structure, the rates, delivery, energy generation.... We're looking at quite a number of options — opening the books, in a sense, to options that are out there. Members have suggestions when we go forward with this paper looking for further input as to other options that we may have missed.

Again, going on what has been stated before — I said it and Member Groenewegen said it earlier today — we should not leave any stone unturned when it comes to power generation and delivery in the Northwest Territories and the structure of the corporation.

Mr. Bromley: I would like to acknowledge that there are many issues that the Power Corp is struggling with. There are some of the increasing efficiencies we've learned about and that are becoming available technically that make it harder to service the capital the Power Corp has to look after.

I think there could have been a much more innovative response to this and more innovative or progressive adoption of this technology.

Given this and the Minister's comments, would he commit to starting a thorough and independent review of the Power Corporation which would include a possible restructuring to address all these issues?

Hon. Floyd Roland: Mr. Speaker, as we go through this process of developing the paper that we can bring forward to Members and looking at the option of what the Power Corporation is, how we deliver energy in the Northwest Territories, rate structures, regulation... There are a whole number of areas: the subsidy program itself, as well as what the Member has requested. I will take that message back to the energy coordinating committee and look to see how that can be implemented. We've had discussion about the distribution structure review. In a sense, as we go through these next steps, we as Members of this Assembly will be looking at those questions. Again, I'm prepared to sit down with Members and go through this in more detail and look at options that are available to us.

Mr. Bromley: I appreciate those comments from the Minister. I think this is timely; a lot of our public are calling for it. I'm wondering if included in that could be the whole relationship with the Public Utilities Board. I haven't heard the voice of the Public Utilities Board in this government. I wonder if there's a way we could bring them to the table and get their perspective on this whole business. I know they're saddled with some responsibility for at least the financial end of the Power Corporation's business.

Hon. Floyd Roland: Mr. Speaker, the role of the PUB, as well as the role of the Power Corporation in the Northwest Territories, is one that is directed by the legislation that we as an Assembly control. There's always opportunity to bring them in to have a discussion about the legislation they operate under. I stated earlier the need to look at some of the legislation that we can impact and that should pose potential changes for the future.

Mr. Speaker: Thank you, Mr. Roland. Final supplementary, Mr. Bromley.

Mr. Bromley: Perhaps I wasn't talking so much about changing the Public Utilities Board as giving them a voice so that we can be fully informed. I think we are doing a review of the Power Corporation, or at least recognize the need for it. Where is the voice of the Public Utilities Board here?

That leads me to my final question. The last Assembly adopted, I believe it's called, the NWTEC, Northwest Territories Energy Corporation, or something like that, that's now the umbrella organization. How does that corporation fit with the responsibilities of the Power Corporation and protecting our consumers, working to the benefit of our residents?

Hon. Floyd Roland: Mr. Speaker, one could say the reason that legislation was adopted by the previous government was to protect the residents of the Northwest Territories. For example, if the Power Corporation itself, which is fully regulated by the PUB.... I must say, on the PUB side their voice is being heard through this process, as the Minister responsible seeks their input in some of the work he brings to the table. That aside, the rate structure, or the structure that was put into place around the hydro corporation side of things, was done in a way that would minimize impact on the rate base or the residential groups and commercial groups out there that are now regulated.

For example, if we were to do hydro expansion within the existing framework, all of those costs per capita would end up being borne by the rate base of the Northwest Territories or that region or community. It was felt that in today's framework, that would not be affordable for individuals or companies. Instead, for example, the Taltson is outside that system. It's going to be paid for by industry if the plan moves ahead as it's been designed.

Mr. Speaker: Thank you, Mr. Roland. The honourable Member for Nahendeh, Mr. Menicoche.

QUESTION 22-16(3) GENERAL RATE APPLICATION BY NORTHWEST TERRITORIES POWER CORPORATION

Mr. Menicoche: Thank you very much, Mr. Speaker. I, too, would like to continue the questioning with regard to the NWT Power Corp Minister.

I just wanted to lay out the land a little bit. During my travels in my constituency people are concerned about the government's plan to increase taxation in various different areas. They're concerned about the high costs of heating fuel and gasoline fuel that continue to rise even though they're falling worldwide. Another concern is that now our government, in its infinite wisdom, wants to raise the power rates, Mr. Speaker. That's something to which I'm fundamentally opposed.

I just wanted to lay out that the little people in our smaller communities are impacted. I just want to say that far before Joe the Plumber, there was Granny from Nahanni, and she's impacted by all these costs of living pressures.

The Minister is responsible for the NWT Power Corp, which put forward the General Rate Application to increase the power rate. I'd like to

ask the Minister, now, if he can withdraw that application.

Mr. Speaker: Thank you, Mr. Menicoche. The honourable Minister responsible for the Northwest Territories Power Corporation, Mr. Roland.

Hon. Floyd Roland: Mr. Speaker, the rate application has been put forward to the PUB; it's being reviewed. We'll expect a ruling on that and take the direction from that process.

The problems.... I mean, it's not as simple as my declaring that that rate application be pulled. The simple fact is that right now, in our existing framework, the Power Corporation has to work within the legislation as regulated by the PUB and has to show and cover the cost of operation. It goes through that process. What we do as the GNWT outside of that is, for example, through the Territorial Power Support Program, where we match the Yellowknife rate for every community outside Yellowknife that pays a higher price. That's our way of limiting the impact. For example, the rate rider application that's out there.... The majority of that will be caught by the Territorial Power Support Program.

Mr. Menicoche: I do want to make the case that the world has changed in the last six months, Mr. Speaker. Our financial world went topsy-turvy, and we cannot be relying on our old user pay system that's there just because fuel prices are going up. We cannot go to Granny from Nahanni and ask for more money to pay the power costs in those communities. Because of that, I ask again: can we stop this current General Rate Application process? It's based on old, erroneous information. Plus I do not believe that this General Rate Application includes the review of operating maintenance costs, which the people have to pay for, and the bonuses that are included. Mahsi.

Hon. Floyd Roland: Mr. Speaker, the Member talked about old, erroneous numbers. The numbers are tested quite thoroughly with the volumes of information that have to be provided to the Public Utilities Board about the operation of the Power Corporation and why it's seeking any changes to its rates. That is something that is there. Those numbers are proven. Our question and further justification if required is given. That is a fairly substantial process with the volumes of information that have to be given at any application to the PUB around rate structures and changes to rates.

The bigger piece.... Again, I say that the government overall provides the Territorial Power Support Program, which minimizes the impact on individuals outside of Yellowknife who pay a higher rate than Yellowknife. That's, I guess, the area that we would have to look at if we want to minimize further impact across the North.

As well, as I've already mentioned to a number of other Members — now that we are going through this process of looking at energy development, generation, regulation — that here's the opportunity with which this House can give clear direction on how we proceed and how we change things going forward. Because I agree: we can't continue doing business the same old way.

Mr. Menicoche: Once again, I believe that the General Rate Application is based on erroneous information, and I'd like to see that it is at least withdrawn until it is re-evaluated one more time. That's something that people have been telling us as their MLAs. The will of the people also becomes the will of this House. And that's something I'd like to bring to the Minister. Will he look at pulling the General Rate Application, reassess the application package and put in some consistent and current information?

Hon. Floyd Roland: The fact is that the information provided goes through much scrutiny and is tested. It is not erroneous information. That's the environment that we have to operate in, the existing framework. Members want to change that framework. As I've stated already, we are more than open to looking at changing the framework we operate in, and that's across anything from the rates to the regulations to the structure. It is time that we as the Government of the Northwest Territories look to the future of what we can provide and how that provision of services affects the constituents in our communities.

Again, much of this rate application will get picked up through the Territorial Power Support Program for those people who live within the 700 kilowatt hours.

Mr. Speaker: Thank you, Mr. Roland. Final short supplementary, Mr. Menicoche.

Mr. Menicoche: Thank you very much, Mr. Speaker. Once again, I say it's an old system. It comes from I don't know how many years back. It's backwards, and it's not working for the people. We're asking people to save power in the smaller communities, yet in order to make money, the Power Corporation has to charge more. That's a backwards system. I'd like the Minister to acknowledge that and look at changing that system and stop this General Rate Application and review it.

Hon. Floyd Roland: With the existing framework we have to operate under — that is, the acts that are in place, the Public Utilities Board regulation process — if we were to delay this process, then the potential is that next year we would have to go for even a higher request for operation.

The fact that individuals have been saving on their energy use, yes, is one that helps, in a sense. But,

Mr. Speaker, I'll speak from experience. I have a large family; I have a home in Inuvik and pay a higher rate than Yellowknife. For approximately 11 months of the year I keep — I should say, my wife keeps — the power consumption below the 700 kilowatt hours, and we live within that time frame. Now, not all people can do that, because of the quality of the homes they live in and the nature of the weather and weather patterns.

But, again, if we want to change the way it's looked at, the way it's reviewed and how we provide power, the opportunity's here. I'm agreeing: let's do that; let's really look at how we deliver those services. Through the Ministerial Energy Coordinating Committee we're working on a paper that we can bring to Priorities and Planning and set the direction we go in the Northwest Territories.

Mr. Speaker: Thank you, Mr. Roland. The honourable Member for Nunakput, Mr. Jacobson.

QUESTION 23-16(3) TERRITORIAL POWER SUBSIDY PROGRAM

Mr. Jacobson: Thank you, Mr. Speaker. In my Member's statement today I spoke about the high power costs in my riding of Nunakput and the fact that longer winters mean the people I represent consume more power. My questions today are for the Minister responsible for the territorial power subsidy, the Hon. Michael Miltenberger.

Can the Minister explain to this Assembly how the figure of 700 kilowatts, subsidized to the Yellowknife rate, came into being? My understanding is that this is the cost to run a fridge and a furnace and few lights.

Mr. Speaker: Thank you, Mr. Jacobson. The honourable Minister of Finance, Mr. Miltenberger.

Hon. Michael Miltenberger: Thank you, Mr. Speaker. We inherited the Territorial Power Support Program when we took over the Power Corporation in 1988. The 700 kilowatt figure was, as I understand, sort of an average cost for your average household. It's been there for some time, but I believe it's for the total cost per household, as opposed to a fridge, a stove and a couple of light bulbs.

Mr. Jacobson: The Minister said in 1988; that's a long time ago. I think I was 16 years old. Would the Minister agree that the far northern communities that I represent may need more than the 700 kilowatts of power provided to a minimum household?

Hon. Michael Miltenberger: Mr. Speaker, the 700 kilowatts is an average consumption figure, and most families across the North are able to live with that.

As Canadians, as Northerners we add more and more power using applications and appliances that drive up our own costs. We have things like vampires that just keep running 24 hours a day, waiting quietly to be called into use; we keep adding to our power consumption.

The issue is, is it more or is it conservation? The Yukon, I understand, has 1,000 kilowatts; we have 700. That's an issue of debate. The commercial subsidy is another one that's an issue of debate as well.

Mr. Jacobson: Will the Minister commit to examining the issue to determine whether the 700 kilowatt total is still relevant and whether the government should consider a tiered approach on the amount of kilowatts that are subsidized depending on where we live in the NWT?

Hon. Michael Miltenberger: The Premier has indicated today and it's been mentioned in the past that we have an opportunity with the work that's occurred and underway to look at the regulation, the generation and the distribution of power in the Northwest Territories: the subsidies, the differential rate zones that are currently in place, the structure of the Power Corporation. Those are all subjects that are on the table for discussion as we look at dealing with the cost of energy, the cost to the small communities, sustainable communities, conserving energy and greenhouse gas emissions. All those things are now here for us in this Legislature to put our minds to.

Mr. Speaker: Thank you, Mr. Miltenberger. Final supplementary, Mr. Jacobson.

Mr. Jacobson: Thank you, Mr. Speaker. Would the Minister commit to sharing the results of such a study with the Standing Committee on Economic Development and Infrastructure?

Hon. Michael Miltenberger: Better than that, Mr. Speaker; we're basically, as a government, reaching out to the Members to say, "Let's engage together to look at this very complex, difficult subject, in terms of the redesign, the structures" — the very issues that the Members have identified as problematic. The opportunity is here. The work is underway. We're looking at doing a lot of things in the next number of months that are going to be fundamental in terms of the changes they could bring. Collectively, we could do a very good job of this

Mr. Speaker: Thank you, Mr. Miltenberger. The honourable Member for Mackenzie Delta, Mr. Krutko.

QUESTION 24-16(3) LEVELIZED POWER RATE STRUCTURE

Mr. Krutko: Thank you, Mr. Speaker. As I stated earlier, my question is going to be directed to the Minister responsible for the Public Utilities Board.

Mr. Speaker, this government, every four years, goes through an application process of some 33 applications that have to be compiled and submitted to the PUB board for review. The PU review board is the one that establishes the rates that are going to be implemented in the communities. It's not the Power Corp; it's the PUB.

There was a decision made in the early '90s to establish postage stamp rates, which means that every community has to apply individually in regard to what the rate is going to be. This government alone spends almost \$3 million on these rate applications for 28 communities, not counting the Northland Utilities' application.

I did move a motion in this House back in February directing the government to approach the Public Utilities Board and make amendments to the Public Utilities Act to allow the Legislative Assembly to consider looking at levelized rates. I'd like to ask the Minister if he's had an opportunity to meet with the PUB for them to bring forward legislation that will allow us to establish levelized rates.

Mr. Speaker: Thank you, Mr. Krutko. The honourable Minister responsible for the Public Utilities Board, Mr. Bob McLeod.

Hon. Bob McLeod: Thank you, Mr. Speaker. The motion that was moved by the Member and was approved by the Legislative Assembly I think will assist us in our review. As I've written to the Member, we are undertaking a review. We will be asking the general public, the people who pay the bills, to give us their feedback and direction as to how we should deal with this issue.

The PUB takes direction from this Legislative Assembly. Through the legislation we direct how they should operate. Once this review is undertaken and we obtain the results and we reach agreement as to how we should regulate it, we will then give the necessary direction to the PUB.

Mr. Krutko: Mr. Speaker, as stated by the Premier and now the Minister responsible for the PUB, has the government considered bringing forward legislation that will direct the PUB to take a look at levelized rates?

Hon. Bob McLeod: Mr. Speaker, we're looking at a wide range of possibilities with regard to rates. We want to hear from the people out there, the electricity users, whether that is something that would be supported. A levelized rate would mean that everybody pays the same rates throughout the

Northwest Territories, whether you use hydroelectricity or thermal electricity or diesel electricity. At the time the decision was made to go with the postage rates, it was felt that rates should be accumulated by individual communities. With our review we will go to the communities, and we will find out what the users want.

Mr. Krutko: Mr. Speaker, as I stated in my statement, this government alone can save almost \$12 million. Right now we pay a subsidy of over \$9 million a year. It costs this government a little over \$3 million to do these rate applications. There are savings that could be major by simply changing the direction the PUB has taken by establishing the 33 rate system, where basically 33 applications have to be reviewed every four years. Has the government looked at the cost savings in regard to making this decision, unilaterally knowing that there are cost savings to be had here? Has the Minister looked at the cost savings we can derive from changing the way we do this?

Hon. Bob McLeod: The Public Utilities Board prides itself on the amount of money it saves the average consumer by disallowing some of the costs put forward by the Power Corporation. One of the things we have to take into consideration is if we don't have the Public Utilities Board reviewing the rate applications, who will review those rates? Who will ensure that the costs are appropriate?

Having said all that, we are undertaking a review. We are looking at how the Public Utilities Board operates, and we're looking at whether there are other regulatory mechanisms that would be more cost effective and feasible.

Mr. Speaker: Thank you, Mr. McLeod. Final supplementary, Mr. Krutko.

Mr. Krutko: Mr. Speaker, as we've heard time and time again, everywhere you go, everybody wants to deregulate and make things straightforward and simple. I think this government should also be amenable to that.

I would like to ask the Minister, knowing from his last comment about who's going to do it.... I think maybe it's time the Legislative Assembly established rates through legislation, that we establish exactly what the fee structure is going to be and do it through legislation and simply leave it to a board that will do it. I'd like to ask the Minister: have you considered the deregulation of this industry and making it simplified by simply legislating fees on the floor of this House?

Hon. Bob McLeod: As we said, we are undertaking a review where we're going to leave no stone unturned. We're looking at every option, including if the Legislative Assembly wants to take on the responsibility for setting the power rates. If that's what we want to do, we will look at that

option. Somehow I don't think we want to do that, but we will undertake a review, and we will come forward with the results.

Mr. Speaker: Thank you, Mr. McLeod. The honourable Member for Sahtu, Mr. Yakeleya.

QUESTION 25-16(3) MINI HYDRO INITIATIVES

Mr. Yakeleya: Mr. Speaker, 42,000 people in the Northwest Territories own the Power Corporation. This government acts on behalf of the shareholders. We have a Minister that takes care of the Power Corporation. We now have a new committee of Ministers — the energy coordinating committee.

I want to ask the Minister of the new coordinating committee, Mr. McLeod, in terms of the mini hydro initiative. I talked about privatization and partnerships; it's a very complex issue. I would ask the Minister if the mini hydro initiatives in Whati, Lutselk'e and Délînê are on target, are they going to be supported by this government in terms of reducing the cost of energy in their communities? Then we can look at some form of partnership, maybe privatization, in terms of that type of initiative that would bring the Power Corporation in line with the true meaning of partnerships. Would the Minister let the people know that these initiatives are on target, they are on the go, and we are going to fully support them?

Mr. Speaker: Thank you, Mr. Yakeleya. The honourable Minister responsible for the Public Utilities Board, Mr. McLeod.

Hon. Bob McLeod: Mr. Speaker, as a government we have released a number of discussion papers. We have an energy priorities paper that we have released, which identified all of our priorities. We are now entering the second phase, whereby we will be coming forward with business plans in which we will identify the resources necessary to undertake the initiatives we have identified. If the Assembly approves, then we will have the resources to be able to continue with these very important projects.

Mr. Yakeleya: I look forward to the plans and to the reports in terms of the Assembly and the priorities on the initiatives. There are many initiatives set up by communities to own power. We are sharing the power, sharing responsibility with our communities — the same thing with the Power Corporation. Now it is the time to give that to the people, share the power with the people.

The question I have for the Minister in terms of this initiative is: would the Minister look at similar projects they did in Whati, where power information, educating the people in terms of how we best

conserve, generate, save power in the community...? Whati did a very wonderful project in terms of conserving energy with the youth and elders. Is that something we're looking at in terms of this committee — going down to Mackenzie Valley and saying: "We'll share the responsibility; what we are going to do is educate you on what types of initiatives we can do to conserve energy in the North"?

Hon. Bob McLeod: Mr. Speaker, certainly we want to work with the small communities. Recognizing the high cost of energy in communities and as we roll out our business plans, we expect to have working with the communities be a large part of it.

Mr. Speaker: Thank you, Mr. McLeod. A short supplementary, Mr. Yakeleya.

Mr. Yakeleya: Mr. Speaker, in terms of the issue of privatization and how we go about it, the mayor of Norman Wells has said: "Why don't we sell the Power Corporation?" — in terms of having our own communities look after energy issues in our regions. Would that type of discussion happen with our Assembly, with our communities, as to how we best get energy issues on the table that would seem to help our people in our region in terms of privatization? I know it is a wide spectrum. What things could the Minister bring forward to this type of discussion with our region?

Hon. Bob McLeod: Mr. Speaker, I too was at the meeting where we heard a number of mayors suggest that we sell some assets. These are the kinds of questions we are asking as we are undertaking our review. I think we have to be very careful. Some of these suggestions could have serious repercussions. If we're going to privatize our electrical generating companies — and I also hear other Members saying we should have deregulation.... If you look at other provinces where they have had deregulation, where everything is in the private sector.... I am not saying it is a bad thing; our department has the lead for privatization as well. But we need to find out from the public how they feel about it. As we undertake this review, we will take everything we hear and then we'll come forward with recommendations.

Mr. Speaker: Thank you, Mr. McLeod. A final short supplementary, Mr. Yakeleya.

Mr. Yakeleya: Mr. Speaker, the Minister sent a letter to the Members indicating the process to go through this Ministerial Energy Coordinating Committee in terms of how we'll come to a discussion paper by next spring. The Minister has indicated that this will happen. I am grateful and I look forward to that; members of my region look forward to that.

I would like to ask in the short term, between now and springtime, what we can do to help our people. When we leave here, they are going to ask us what we're doing to reduce the cost of energy. To share the power, can the Minister, through his committee, look at initiatives such as having smart meters put into the communities? If they're getting close to 700 kilowatts, they would know that it's time to start unplugging certain appliances so they can save money. Right now we have lights on, and we don't know. Would the Minister look at that on an interim basis in terms of implementing a program like this?

Hon. Bob McLeod: We are undertaking our review shortly. We'll be coming out with a discussion paper. I think it would be of great assistance for the community leaders and people to tell us what their concerns are and how they would like to see us operate. We'll be coming forward with those short term/long term solutions through the business planning process. In the longer term, with the results of the review and feedback and direction from the Members here, we would look at making whatever changes would be required, including restructuring, new rates, what have you.

Mr. Speaker: Thank you, Mr. McLeod. The honourable Member for Frame Lake, Ms. Bisaro.

QUESTION 26-16(3)
ANALYSIS OF
NORTHWEST TERRITORIES
POWER CORPORATION

Ms. Bisaro: Thank you, Mr. Speaker. My questions are addressed to the Chair of the Ministerial Energy Coordinating Committee, Mr. McLeod. I stated in my Member's statement that there needs to be a fundamental change to the NWT Power Corporation. We're at the beginning of a review, as we've heard several times, that's going to look at electricity rates, regulation and subsidies. But in terms of the Power Corporation itself, I'd like to ask the Minister: what kind of analysis is being undertaken for the NWT Power Corporation as part of this review?

Mr. Speaker: Thank you, Ms. Bisaro. The honourable Minister responsible for the Power Corporation, Mr. Roland.

Hon. Floyd Roland: Thank you, Mr. Speaker. I'm aware that the Member has asked the Chair of the Ministerial Energy Coordinating Committee, but I can respond as well in this area. We sat down together and looked at those options of what work is being done. We're in the early stages of setting out options around regulation and around power structures and so on.

I think it will be when we have that paper delivered to Members and start to discuss what Members would like to see happening, with options, for example, that Members have discussed here. We're open to looking at a whole number of initiatives that can have a serious look at the Power Corporation itself and how we deliver energy in the North

Ms. Bisaro: Mr. Speaker, I thank the Minister for the answer. I am concerned, though. My question is specifically related to the structure of the Power Corporation and how it operates as a business. Not having seen the terms of reference for this particular review, I'd like to get some sense from the Minister as to what kinds of things, what kinds of analyses, are going to be done on the corporation as a business under this review.

Hon. Floyd Roland: Mr. Speaker, the review is quite open to a whole number of options. We can decide here, as an Assembly, what should be undertaken. The business operation in the existing framework is quite clear — the structure that we have to operate in. Again, as I said earlier, it is up to this Assembly if we want to change that; for example, the act that the Power Corporation acts under and how the PUB regulates the industry in the Northwest Territories. There are a number of things, right from programs we as the GNWT deliver. The Power Corporation itself is open to what the Members would like to consider in the review in that area.

Ms. Bisaro: We've heard about this review for some time now. I had understood, though, when it was originally put forward, that it was going to be well underway at this point. It sounds now as though it's going to be some time before we get anywhere. From the Premier's last answer, it sounds as though the terms of reference are not out there. Can I ask when we might expect the results of this particular review?

Hon. Floyd Roland: Mr. Speaker, the process we're involved with incorporates more than just the Power Corporation itself. It takes in the whole gamut of power generation, distribution, regulation, the Territorial Power Support Program. That's why we're in the process here of coming up with a document. We should be ready, hopefully, before Christmas. We'll be able to sit down with Members and go through the work that's been done and what it entails and seek further direction from Members as well in that area.

Mr. Speaker: Thank you, Mr. Roland. Final short supplementary, Ms. Bisaro.

Ms. Bisaro: Mr. Speaker, I guess I would try to push the Premier to fast track this project if at all possible. It is obviously one that is very dear to everyone's hearts, and we all feel it in our pocketbooks.

My last question. I don't know whether the review is considering changes to legislation for the PUB, but I

would like to ask the Minister what priority he puts on changes to the legislation for the Public Utilities Board

Hon. Floyd Roland: Mr. Speaker, the PUB is, as well, part of this overall process that we would look at if there are changes that are required — again, the PUB as the regulator of the industry — and if we would look at any changes or how they would continue to, I guess in a sense, police the industry here in the Northwest Territories. That is one of the areas being looked at. We provide that to Members as to the direction we're going in and seek either support or further work in that area.

Mr. Speaker: Thank you, Mr. Roland. The honourable Member for Hay River South, Mrs. Groenewegen.

QUESTION 27-16(3)
ANALYSIS OF
NORTHWEST TERRITORIES
POWER CORPORATION

Mrs. Groenewegen: Mr. Speaker, I'm all for, as I said earlier, leaving no stone unturned, but there is one stone you could turn over. Under it you would find the Robertson Report. We asked exactly these same questions seven years ago. We engaged the services of a gentleman named Jim Robertson, who is highly respected in the private sector and had been Chair and president of the Power Corporation when it was repatriated from the federal government to our territorial government.

I think what precipitated that review at that time may have been a struggle for the franchise. Maybe the NTPC wanted to take over the Hay River franchise of Northland Utilities, and I don't think the good folks at Hay River were too keen on that idea. I shouldn't say everybody; maybe some folks weren't too keen on that idea. Anyway, the Robertson review was done. It answered a lot of these questions we're still talking about today. How about getting it out and dusting it off? What was in there of substance? Did we act on any of the recommendations?

Mr. Speaker: Thank you, Mrs. Groenewegen. The honourable Minister responsible for the Power Corporation, Mr. Roland.

Hon. Floyd Roland: Mr. Speaker, those types of reports have been dusted off and brought into this process. We don't want to redo things and re-create things for further review; it's taking the work that has been done. There were some substantial recommendations. Some of them have been acted on, but there are definitely more things that could be looked at as we progress here in the Northwest Territories, talking about next steps we would like to take. Reports like that are part of the review process.

Mrs. Groenewegen: I hope it will be a big part of it, Mr. Speaker, because to undertake a review of the scope and the comprehensive nature that is being talked about here today would be costly and time consuming. I think there were some very good recommendations in the Robertson Report that have not been acted on to date. I just hate to see redundancy and spending money if we don't have to. Of course, there is always a bit of a political hesitancy on some of these things to make major moves.

I'd like to ask the Premier today if in fact, given the seriousness of the situation with the power rates out there in the Northwest Territories and the people who are struggling, you would make this a matter of absolute priority of this government to not.... Don't leave anything off the list of things that we might be prepared to do or consider doing. Privatization of the Power Corporation — that's almost a sacred thing, the Power Corporation. Nobody likes to talk about privatization. Will the Premier commit that we will look at any and all solutions, remedies, actions that could possibly alleviate the cost of power and the energy consumption in the Northwest Territories?

Hon. Floyd Roland: Mr. Speaker, as the Member stated, this area and the impact it has on the lives on individuals — commercial as well, when we talk about the small grocery stores in our smaller communities.... The cost of that energy generation is borne by the residents in that community. So, yes, it is a high priority. That is one of the reasons I have kept the Power Corporation as one of my areas of responsibility, to put the energy into it and push this along for a complete review. I will confirm for the Member that no stone will be left unturned when it comes to power generation and distribution in the Northwest Territories.

Mrs. Groenewegen: I do find myself in a strangely awkward position when it comes to talking about the NWT Power Corporation. The headquarters and many of the good folks who work at the Power Corporation are constituents of mine and of yours and we believe are trying to do the best they can under the circumstances, but the challenges are great, and as I said, I believe we need to look at every possibility.

To the suggestion that the Public Utilities Board may not be relevant in our jurisdiction: I wonder if I can get the Premier to comment on that. I believe that they do play a useful role. They are arm's length from the government, and there has been a lot of talk today about the role of the PUB. I would like to get the Premier's comments on that.

Hon. Floyd Roland: As we have in other cases looked at other jurisdictions, what they have done in the past.... Some jurisdictions have gone to

deregulation, which got rid of their equivalent to the Public Utilities Board.

In our case, being a small jurisdiction, that would bring that decision-making to this table. I think Members will be under huge pressure — from the diversity of the territory and our constituents — in trying to deal with the Power Corporation rates in communities and management of that corporation. All we have to do is look at some of our other delivery mechanisms within the Government of Northwest Territories, and we are challenged in those areas.

I would say that we must be careful if there's any consideration of, for example, removing any regulatory role in the Northwest Territories, especially when we're going to look at the North and the future potential growth in the North when it comes to resource development in the Northwest Territories. I would be cautious in that area and say there is still a role for the Public Utilities Board in the Northwest Territories.

Mr. Speaker: Thank you, Mr. Roland. Final supplementary, Mrs. Groenewegen.

Mrs. Groenewegen: Thank you, Mr. Speaker. When the situation gets very grave in terms of rates in the communities, we have heard communities of larger sizes say, "We could go to another power supplier," or "We could do better standalone. Let's just get away from the Power Corporation." To the issue of whether or not the Power Corporation holds the monopoly for the provision of power in the NWT community, we know that Northland Utilities has a group of communities that they service in distribution and in power generation. When it comes to larger communities like Fort Simpson, for example, and they say, "You know what? We can go to a service provider outside of NTPC," what is in place right now to stop them from doing that? What have we done as a government to protect the NTPC as an asset of this government?

Hon. Floyd Roland: Right now legislation provides for franchise agreements. As well, commercial bodies out there can decide to develop their own power structures, which would take away the potential business, which would leave the rest of the residents of the Northwest Territories covering for the structure as it is.

It is an area of concern. The Power Corporation itself identified that even as far as a couple of years ago, looking at the commercial impacts of providing power to companies in the North, which then has the spinoff impact to the residents in the North. That is something that we are having to work with, and that is why we're putting as much energy as we are into the Ministerial Energy Coordinating Committee and this line of work that needs to be done. I'm

prepared to sit down with the Members and go through this in a thorough way.

Mr. Speaker: Thank you, Mr. Roland. The honourable Member for Kam Lake, Mr. Ramsay.

QUESTION 28-16(3) POWER CORPORATION SENIOR STAFF BONUS POLICY

Mr. Ramsay: Thank you, Mr. Speaker. In my Member's statements from earlier I was saying how increasingly difficult it is for residents and Members of this House to continue to stomach the bonuses that are paid to senior managers at the Power Corporation. Last year it was close to \$600,000. Given the fact that rates are rising again, will the Minister responsible for the Northwest Territories Power Corporation, Minister Roland, instruct the board of the Power Corporation to immediately put a halt to the bonuses paid to senior staff?

Mr. Speaker: Thank you, Mr. Ramsay. Mr. Roland.

Hon. Floyd Roland: Thank you, Mr. Speaker. Within the act itself there are certain arrangements that we work with. Even as the Minister responsible, there is a framework that I have to operate within in dealing with the board itself. The Public Utilities Board actually is one of the things that is reviewed, because that is part of the rate base and how they pay out those areas. The term being used with the Power Corporation is "at-risk system," and the PUB, in fact, recommended that that level be reduced the last time it went forward.

Mr. Ramsay: The Government of the Northwest Territories owns the Northwest Territories Power Corporation. I think it is fully within our rights to instruct that board to stop paying out the \$600,000 in bonuses like it did last year to senior officials at the Power Corporation, especially given the fact that many of our residents, especially in our smaller communities, cannot afford to pay their power bills. It is ludicrous that we allow that practice to continue to happen. Will the Minister instruct the Power Corporation board to immediately stop the bonuses paid to senior staff at the Power Corporation?

Hon. Floyd Roland: Mr. Speaker, the Power Corporation itself has undertaken a review from an outside source to look at the at-risk system. The PUB regulates that area and gives direction in that area, and they did the last review that happened.

The Member is right. As a Legislative Assembly we can give direction to the Power Corporation and make some movement in that area. We must recognize by doing that that it can have a fairly significant impact on their operation, as we would do as the Government of the Northwest Territories.

Mr. Ramsay: The other thing that residents in the Northwest Territories are going to have a very

difficult time with is the fact that the current General Rate Application is premised on the fact that oil and world oil prices were \$130 and \$140 a barrel. That's not the reality today, Mr. Speaker. I think the government has to instruct that board to revisit the current General Rate Application so that residents in the Northwest Territories are not going to be faced with these high increases in cost this winter. It's not too late to say no to that GRA or at least revisit it, because those numbers that were included in the original GRA are not legitimate numbers today.

Hon. Floyd Roland: Mr. Speaker, the information that this has been filed has been put before the Public Utilities Board. They're reviewing the information, and if they have concerns or questions with that, there'll be further requests for backup information. Let's be clear. The reason the rate rider has gone in is because it's money spent. It's not money that is about to be spent. We have already paid for a product that was higher than today's price, and that is something that the Power Corporation is having to recover from.

Mr. Speaker: Thank you, Mr. Roland. Final supplementary, Mr. Ramsay.

Mr. Ramsay: Thank you, Mr. Speaker. That's awfully hard for a resident in a small community to understand — that they're paying more money today for mistakes or costs the Power Corporation incurred in the past. I think it has to be more forward looking, and I do believe that the current GRA that is in play right now needs to be revisited. It is premised on high oil prices and high utility costs today that just are not a reality. Can we open this up? Can the Minister instruct the board to revisit the GRA?

Hon. Floyd Roland: The General Rate Application has been put forward and is being reviewed. The numbers are substantiated, or if the request is for further substantiation, that would be done and provided for.

The area of just making an arbitrary decision from the political side can have far reaching consequences into the actual operation of our sole provider of energy in the Northwest Territories. There is another company that is into the distribution side, but that still comes from our Power Corporation. So we must be careful in setting an arbitrary target on a political basis. We need to back up our own information.

I'd be prepared to have the Power Corporation come before Members to give information on the General Rate Application — what it's based on and why it's gone forward — before we make any decisions.

Mr. Speaker: Thank you, Mr. Roland. Our time for question period has expired. The honourable Member for Yellowknife Centre, Mr. Hawkins.

Mr. Hawkins: Thank you, Mr. Speaker. I seek unanimous consent to return to item 8, oral questions, so I can have a question.

Mr. Speaker: The Member is seeking unanimous consent to return to oral questions.

Unanimous consent granted.

QUESTION 29-16(3) NON-MEDICAL TRAVEL POLICY

Mr. Hawkins: Thank you, Mr. Speaker. I have an oral question, and it'll be for the Minister of Health and Social Services. It will be on the topic of medical travel.

I had a constituent contact me yesterday, and interestingly enough, I had another constituent contact me again this morning regarding almost an identical medical travel problem. Mr. Speaker, that is about when you get a non-medical escort approved through the doctors' process. Medical Travel in one of the cases has refused to allow that person, even with a doctor's note, to bring a non-medical travel escort south. In the second case the department doesn't seem to want to pick up the cost other than the plane ticket of the person travelling on that non-medical travel escort path.

I just want to seek some clarity from the Minister of Health and Social Services. First, if a doctor puts into writing the need to have a non-medical escort travel with someone to the South, do we pick up that cost? Furthermore, do we pick up the costs associated with their hotel room and any other reasonable and responsible costs involved in that process?

Mr. Speaker: Thank you, Mr. Hawkins. The honourable Minister of Health and Social Services, Ms. Lee.

Hon. Sandy Lee: Thank you, Mr. Speaker. The Member has brought this to my attention. At about 1 o'clock today I asked my department to take a look at that and see what we can do in that situation.

Non-medical travel is not always approved, but I do appreciate the circumstances that the Member has brought forward, and I will commit to the Member that I will get back to him, hopefully by the end of the day.

Mr. Hawkins: I want to thank the Minister for that answer. Just further on that answer, if Medical Travel approves a non-medical escort to go south because of a specific need and a professional has requested that, would it be conceivably considered

reasonable that we would pick up the associated costs? If we're willing to pay for the plane ticket for them to travel down with somebody who requires specialized care, would it not be conceivable that we would pick up the reasonable costs of things like a hotel and meals?

Hon. Sandy Lee: The short answer to that is that if a non-medical escort is approved, then all of the incidental costs would be approved.

Generally a non-medical escort is approved where a patient needs a family member for physical support or for language support, where there might be some interpreter services. I understand that in this circumstance it doesn't fall into either of the two, but that is a general situation where the non-medical escort would be approved.

Mr. Hawkins: I don't want to give too much detail, because it is a very specific issue, so I'm trying to be as vague as possible, but the Minister is fully aware of the case. In this particular case, the constituent has to travel south for a very specialized reason. Once they're finished what has to be done to them, in a medical sense, they'll require specialized drugs to help them through the process. In talking to Capital Health, there's an assumption that the GNWT won't cover these specialized drugs, recommended by the specialists after they've received this very specific treatment. That concern is real for this family through this travel process. Will they be on the hook for it? So I ask the Minister: is it normal for the family to be denied this, or can I ask the Minister to have someone look into this very specific case?

Hon. Sandy Lee: As I have committed already, I am looking into this; the department is looking into it right now. I will get back to the Member by the end of the day. Given the privacy and confidentiality of the patient, I think I'll just have to leave it at that, and I will get back to the Member.

Mr. Speaker: Thank you, Ms. Lee. Final supplementary, Mr. Hawkins.

Mr. Hawkins: Although the Minister has said it a couple of times and I believe her, I just have one more element to add to the scenario. In this particular case the specialist in their group will be recommending that the specific patient stays for a few extra days for follow-up, which I would like to think is normal. Because it is considered at their request, will the Minister look in to picking up those types of costs? Because it is based on specialists making a recommendation, not in the context of a perceived holiday or an unwillingness to return after everything's done. It's based principally and only on the fact that it's at the request of the doctor.

Hon. Sandy Lee: There are a lot of details and facts to this; it's a highly unusual situation. I will get back to the Member. Because this is a non-medical

escort, there are some additional questions and facts that we need to look into. We're doing that, and we'll get back to the Member.

Mr. Speaker: Thank you, Ms. Lee. The honourable Member for Weledeh, Mr. Bromley.

QUESTION 30-16(3) MANDATE OF THE PUBLIC UTILITIES BOARD

- **Mr. Bromley:** Thank you, Mr. Speaker. I'd like to follow up on some of my earlier questions on the Public Utilities Board, if I could. Specifically, I just want to start by confirming that it's the responsibility of the Public Utilities Board to ensure the fair treatment of our citizens with regard to the safe and reliable provision of power and fair pricing of power. Is that correct?
- **Mr. Speaker:** Thank you, Mr. Bromley. The honourable Minister responsible for the Public Utilities Board, Mr. Bob McLeod.
- Hon. Bob McLeod: Thank you, Mr. Speaker. Maybe I could paraphrase that and say that the Public Utilities Board reviews the cost applications by the electrical providers to ensure that the costs are appropriate and relevant. They do that through a number of processes, including public hearings, interventions and making the public aware of these applications for increases.
- **Mr. Bromley:** I appreciate those comments. I'm wondering if the Public Utilities Board and this again is following up on my questions earlier has any comments on the structuring of the Hydro Corporation in relation to the Northwest Territories Power Corporation and the Energy Corporation. Are they commenting on that, and what is your perspective on that restructuring?
- **Hon. Bob McLeod:** At the time that the legislation was passed, the comments of the Public Utilities Board were not sought.
- **Mr. Bromley:** I'll just hope I get an answer to the question eventually. I did ask if they are commenting on that situation, not about the past.

I'm wondering if it's the perspective of the Public Utilities Board that the Taltson hydro facility is a facility that has been owned and maintained by the NWT Energy Corporation. Is it still owned, or has it been transferred to the Hydro Corporation?

- **Hon. Bob McLeod:** It's still owned and is a subsidiary of those companies that the Member talked about.
- **Mr. Bromley:** If the Taltson plant is still owned by the Power Corporation and, of course, that means it has been paid for by our citizens through their power rates and so on is it likely that their

power rates will directly benefit from any sale of additional power, such as to commercial enterprises?

Hon. Bob McLeod: At the time of the legislation that was passed and the current thinking as well.... What has been constructed is a new spillway, which would not impact on the rates of the current users. For that reason, it was set up the way it was. There's a new ownership structure that has been set up for the new spillway that's being constructed at some point in the near future.

Mr. Speaker: Thank you, Mr. McLeod. The honourable Member for Sahtu, Mr. Yakeleya.

QUESTION 31-16(3) SMART-METERING INITIATIVE IN SAHTU COMMUNITIES

Mr. Yakeleya: Mr. Speaker, the subsidy's consumption level of 700 kilowatts hasn't been changed since 1988. For the number of users that rely on this subsidy, more important are the months of November, December, January and February.

I'd ask the Minister of NTPC in terms of these subsidy rates.... Since it will be a while until we're going to have some discussions on changing it, in the interim could the Minister tell me that the Power Corporation is looking at some initiatives and incentives for people in our communities down in the Mackenzie Valley in terms of putting in some meter-reading smart devices that will show people that they are coming close to the subsidy level and that it's time to unplug some of their appliances so they can save some money? Right now there aren't any. Can the Minister tell me these meters could be something they could look at in the interim?

Mr. Speaker: Thank you, Mr. Yakeleya. Minister Roland.

Hon. Floyd Roland: I believe the term, and the Member may have said it, is smart metering. That's available and has been used in southern Canada. That's something that can be taken into consideration as we progress forward. I know over the last number of years the Power Corporation itself has upgraded many of the metering systems in our communities that help reduce this operating cost. This is another area that can be looked at and something that will be taken into consideration.

Mr. Yakeleya: I was going to mention that it's something we could do a little with the Arctic Energy Alliance: sharing responsibility with the community and our own Power Corporation. There's going to be lots of discussion.

Again, I appreciate the Minister's response in terms of something we could look at. Would it be something they would consider down in the Mackenzie Valley within the next couple of months?

These meters are out. They've been used in B.C. Can we start in some of the smaller communities up North to show that we are working with them, so people in the small communities can say, yes, we are doing something for them? They would take on some of the ownership of the energy they're using in their communities. Can the Minister advise the House if that's something that's possible within the short period of time before Christmas?

Hon. Floyd Roland: The changing of meters isn't as straightforward a process as just making a decision to do that. In fact, I would say that we would need to have a serious look at this. The Power Corporation does a business plan themselves and puts it together, so I'd be prepared to get a briefing note ready and provide that for the Members.

Mr. Yakeleya: Can the Minister advise people that with these smart meter readers there will be initiatives looked at in one of the regions in terms of implementing this project? I think that's really something the people would appreciate in our communities in terms of being responsible and taking ownership of their use of power. I think that's something we look forward to. Again, I would ask the Minister: can he do that as quickly as possible and within the time frame of the next couple months?

Hon. Floyd Roland: I will request from the Power Corporation that we pull this information together and provide it to Members for their review.

Mr. Speaker: Thank you, Minister Roland. Final short supplementary, Mr. Yakeleya.

Mr. Yakeleya: Mr. Speaker, I look forward to this information getting pulled together by the NTPC to look at the community.

I would ask the Minister again: in terms of some solid commitment to the people in the region can these meters even be looked at by the Housing Corporation to see what they can do to implement this in public housing? Give us something to take back home. Give us something that even the private homeowners can have to be responsible for in terms of the power. That's what I'm looking for.

Hon. Floyd Roland: The metering situation that's out there is done by the Power Corporation solely. The Housing Corporation doesn't have that. If there's any changing of meters, it would be through the Power Corporation itself. As I've stated, we will prepare information and bring it to Members for further discussion.

Mr. Speaker: Thank you, Minister Roland. The honourable Member for Frame Lake, Ms. Bisaro.

QUESTION 32-16(3) REGIONALIZATION OF GOVERNMENT OPERATIONS

Ms. Bisaro: Thank you, Mr. Speaker. My questions are addressed to the Premier. I mentioned in my Member's statement the other day that the Premier has a couple of times talked about regionalization of government. Yesterday — and I'm working from unedited Hansard from yesterday — he said that we have "initiatives that we have yet to kick off, which is the regionalization of government operations." I would like to ask the Premier what is meant by that statement.

Mr. Speaker: Thank you, Ms. Bisaro. The Hon. Premier, Mr. Roland.

Hon. Floyd Roland: Thank you, Mr. Speaker. It is one of the initiatives I laid out early on in the life of our government as one of those strategic areas. It's looking at how we operate and the delivery of services in our communities and how they're delivered from a regional aspect to a community aspect. Looking, for example, at the future of the development of the Northwest Territories when it comes to governance, with the self-government tables happening in those regional bodies, does our delivery fit within that? We haven't been able to get to that yet. As we work on that initiative, we would be prepared to go through committee with what we're planning to put together. But there haven't been terms of reference and a lead Minister or any of that put to that section as of yet.

Ms. Bisaro: I thank the Premier for the answer. I'm a little confused. I guess I need to ask the Premier if the intention of this initiative is that it will be a strategic initiative committee, like the other five that are currently in place.

Hon. Floyd Roland: I contacted Members earlier on the strategic initiatives. It was one of the ones highlighted, so it would fall under the strategic initiatives category. We would look at that same sort of development as we go forward. Again, as Members had requested that we look at the makeup of that, that would also fall into that category.

Ms. Bisaro: Maybe it's me this afternoon, but I'm having a really hard time understanding what the Premier is meaning. Perhaps I could ask him to give me a hypothetical example of a change that would be considered regionalization of our services.

Hon. Floyd Roland: Mr. Speaker, the process we are involved with now is some of the work being done, in a sense, by other initiatives; for example, Refocusing Government, looking at the delivery of services from a board and agency perspective, how we align with the departments and are working in those regions, what level of authorities are made at the headquarters versus regional operations and

should that change or remain the same or be enhanced or tightened up? In a sense, with that are the accountabilities with that responsibility.

Mr. Speaker: Thank you, Mr. Roland. Final supplementary, Ms. Bisaro.

Ms. Bisaro: Thank you, and thanks for that answer. I guess I would just like to ask something that's occurred to me a couple of times as we've had various discussions about any number of things. There was quite some time ago a suggestion that perhaps education programs might be changed. For instance, high schools might be brought to a regional centre instead of leaving them in each individual community. Could the Premier comment on that, please?

Hon. Floyd Roland: Mr. Speaker, again, this area hasn't been brought up to the same working level as the other strategic initiatives. We haven't got the terms of reference. So that type of thing has not been looked at, at this stage. The Refocusing Government piece is looking at delivery and how we work with boards and agencies, but on the actual program delivery side this piece hasn't been put into action as of yet. I'll commit to Members that as we get this piece up and running, we'll be sitting down with Members to give them what it's starting to look like and get their input.

Mr. Speaker: Thank you, Mr. Roland. The honourable Member for Sahtu, Mr. Yakeleya.

QUESTION 33-16(3) IMPLEMENTATION OF TRADITIONAL KNOWLEDGE STRATEGY

Mr. Yakeleya: Mr. Speaker, my question is to the Minister of Environment and Natural Resources and concerns traditional knowledge. Members have had some discussions in terms of traditional knowledge implementation by this government. I'd like to ask the Minister: could he update the people in the North and the people in Sahtu about the progress of traditional knowledge implementation in terms of the discussion we had in the previous government? How will traditional knowledge be implemented in my region in a government-wide approach?

Mr. Speaker: Thank you, Mr. Yakeleya. The honourable Minister of Environment and Natural Resources, Mr. Miltenberger.

Hon. Michael Miltenberger: Thank you, Mr. Speaker. The issue of traditional knowledge is an important priority for the Government of the Northwest Territories. ENR has continued to work as the lead department with other departments to advance this so that government-wide it's ready and applicable. We will be speaking to this in the coming weeks as we move forward with the business plan. The commitment will be that within the course of the next round of business plans we

will have a government-wide traditional knowledge strategy that is implemented across government.

Mr. Yakeleya: Mr. Speaker, I certainly appreciate the hard work the Minister is doing in terms of moving this type of issue forward for our own people. I'm very happy. I would like to ask if he can tell me, if he's privy to the information, how much concrete strength we'll have on a government-wide approach in terms of putting traditional knowledge into the government's present policies and regulations and making it stick, in terms of his report, with certain programs and services.

Hon. Michael Miltenberger: Mr. Speaker, I can give three specific examples. The water strategy we're working on for the Government of the Northwest Territories has built in as a key component the issue of traditional knowledge as it pertains to water: the decisions made with water, the natural capital and how it fits in with western science.

With things like transportation, for example, I've always heard the example of the Trout Lake Airport, where we didn't listen closely enough to the knowledge of the people on the ground. The airport was located the wrong way.

I remember working with the Member in Health and Social Services. We would have traditional knowledge and elders brought to the health centre to assist with the healing and delivery of those services, similar to what was set up in Yukon.

Those are the areas we're going to try to build on and expand on across government.

Mr. Yakeleya: Mr. Speaker, I'm very happy to hear that. The Minister made several references.... Certainly in the community of Délînê it was the same with our school. People said there was a school that was built on an underground waterbed creek. I'm looking forward to that type of information in terms of how traditional knowledge will be implemented into certain areas. Would this include education programs also in government-wide initiatives? Justice? Language? Housing? I guess I'm looking at the weight of traditional knowledge in today's government. How strong would it be for the people in our region?

Hon. Michael Miltenberger: It has significant weight. I point the Member once again to the business planning process, where that issue will be clearly articulated. There will be an opportunity to talk and review with every department as they review their business plan with the appropriate committee about traditional knowledge and how it's going to be implemented in those various departments. It's a cross government initiative. The commitment is to have this once and for all put into practice within the life of the next business planning cycle.

Mr. Speaker: Thank you, Mr. Miltenberger. Final short supplementary, Mr. Yakeleya.

Mr. Yakeleya: Would the elders be involved in terms of carrying this traditional knowledge into the government in the system we would have? Would there be a place for them to bring this traditional knowledge to the forefront?

Hon. Michael Miltenberger: How it's brought in may vary, but the fundamental point is the one that the Member has indicated: the role of the elders, the handing down from generation to generation of traditional knowledge. That will be built in department by department across government. It will all be ready for review as we come forward into the business planning process here in the next number of weeks.

Mr. Speaker: Thank you, Mr. Miltenberger. Item 9, written questions. Item 10, returns to written questions. Item 11, replies to opening address. Item 12, petitions. Item 13, reports of committees on the review of bills. Item 14, tabling of documents. The honourable Minister responsible for the Financial Management Board Secretariat, Mr. Miltenberger.

Tabling of Documents

Hon. Michael Miltenberger: Thank you, Mr. Speaker. I wish to table the following documents: NWT 2008 Forest Fire Season Report; Inter-Activity Transfers Exceeding \$250,000 for the Period April 1, 2008 to August 31, 2008; Public Accounts of the Government of the Northwest Territories Interim Report for the Year Ended March 31, 2008; and the 2007–2008 54th Annual Report of the Northwest Territories Liquor Commission & Liquor Licensing Board.

Document 1-16(3), Northwest Territories 2008 Forest Fire Season, tabled.

Document 2-16(3), Inter-Activity Transfers Exceeding \$250,000 for the Period April 1, 2008 to August 31, 2008, tabled.

Document 3-16(3), Public Accounts of the GNWT Interim Report for the Year Ended March 31, 2008, tabled.

Document 4-16(3), 2007–2008 54th Annual Report NWT Liquor Commission & Liquor Licensing Board, tabled.

Hon. Jackson Lafferty: I wish to table the following document entitled Towards Literacy: A Strategy Framework 2008–2018. Mahsi, Mr. Speaker.

Document 5-16(3), Towards Literacy: A Strategy Framework 2008–2018, tabled.

Mr. Speaker: Thank you, Mr. Lafferty. Pursuant to section 23 of the Official Languages Act, I wish to table the Office of the Northwest Territories Languages Commissioner Annual Report 2007–2008

Document 6-16(3), Office of the Northwest Territories Languages Commissioner Annual Report, tabled.

Mr. Speaker: Colleagues, I'd like to draw your attention in the visitors' gallery to the presence of Ms. Shannon Gullberg, Languages Commissioner for the Northwest Territories.

Item 15, notices of motion. Item 16, notices of motion for first reading of bills. Item 17, motions. Item 18, first reading of bills. Item 19, second reading of bills. Item 20, consideration in Committee of the Whole of bills and other matters. Item 21, report of Committee of the Whole. Item 22, third reading of bills. Madam Clerk, item 23, Orders of the Day.

Orders of the Day

Principal Clerk of Committees (Ms. Russell): Mr. Speaker, Orders of the Day for Friday, October 24, 2008, 10 a.m.

- 1) Prayer
- 2) Ministers' Statements
- 3) Members' Statements
- 4) Returns to Oral Questions
- 5) Recognition of Visitors in the Gallery
- 6) Acknowledgements
- 7) Oral Questions
- 8) Written Questions
- 9) Returns to Written Questions
- 10) Replies to Opening Address
- 11) Petitions
- 12) Reports of Standing and Special Committees
- 13) Reports of Committees on the Review of Bills
- 14) Tabling of Documents
- 15) Notices of Motion
- 16) Notices of Motion for First Reading of Bills
- 17) Motions

Motion 1-16(3): Appointment of Director of Human Rights (Ramsay)

Motion 2-16(3): Appoint of Human Rights Adjudication Panel (Ramsay)

Motion 3-16(3): Appointment of Deputy Director of Human Rights (Beaulieu)

Motion 4-16(3): Extended Adjournment of the House to February 4, 2009 (Bisaro)

18) First Reading of Bills

Bill 1 - An Act to Amend the Historical Resources Act

Bill 2 - Settlement of International Investment Disputes Act

Bill 3 - International Interest in Mobile Aircraft Equipment Act

Bill 4 - Public Library Act

Bill 5 - Professional Corporations Act

Bill 6 - Species at Risk (NWT) Act

Bill 7 - An Act to Amend the Student Financial Assistance Act

- 19) Second Reading of Bills
- 20) Consideration in Committee of the Whole of Bills and Other Matters
- 21) Report of Committee of the Whole
- 22) Third Reading of Bills
- 23) Orders of the Day

Mr. Speaker: Thank you, Madam Clerk. Accordingly, this House stands adjourned until Friday, October 24, 2008, at 10 a.m.

The House adjourned at 3:49 p.m.