

**LEGISLATIVE ASSEMBLY OF THE  
NORTHWEST TERRITORIES  
5<sup>TH</sup> COUNCIL, 34<sup>TH</sup> SESSION**

**SESSIONAL PAPER NO. 18-34**

**TABLED ON MARCH 9, 1967**

Sessional Paper 18-34  
Tabled on March 9, 1967



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34th Session of  
Council.

**NORTHWEST TERRITORIES**

**SESSIONAL PAPER NO. 18  
(First Session, 1967)**

**DEPARTMENTAL POWER RATES**

**DISPOSITION**

Tabled	To Committee	Accepted as Read	Accepted as Amended	Deferred (to Session)	Rejected	Noted not Considered

DEPARTMENTAL POWER RATES  
Re: Item For Action No. 100

The 33rd Session of Council adopted a motion asking for an investigation of the rates charged by the Department of Indian Affairs and Northern Development for electric power produced in their plants. The motion also asked to have the Departmental rates brought into line with those charged by the Northern Canada Power Commission.

The Department of Indian Affairs and Northern Development is authorized by Treasury Board to sell electric power in accordance with set terms and conditions:-

- (a) That power will only be provided to private consumers where in a given community the federal government has at least 50% of the total power requirement in that community;
- (b) That the size of plant in any single community will not exceed 100 kilowatts output (not including standby) without specific Treasury Board approval;
- (c) That the private consumer will, in each case, bear the cost of extensions to the distribution system which may be required to service his property, such extensions to become the property of the Crown upon completion;
- (d) That in order to eliminate differences in power rates between adjacent communities, regional rates will be established, which will in no case be less than the highest average rate charged by Northern Canada Power Commission in the region concerned;
- (e) That pending establishment of regional rates, to be computed subject to paragraph (d) on an average of the cost to the consumer in communities within a region, an interim rate of 12 cents per kilowatt hour will be charged in all communities;
- (f) That the cost to the consumer will be based on:
  - (i) cost of operating and maintaining powerhouse, generating plant, distribution system and associated facilities, such cost to include operators' wages, accommodation and other benefits, materials and supplies, repairs and improvements;
  - (ii) amortization of capital facilities at 6% interest over 15 years;
  - (iii) overhead at 5% of (i) and (ii) to cover meter reading, billing, etc., until actual costs can be established.

The records of the Department indicate that nowhere in the N.W.T. does it manufacture power at a cost less than 12¢ per KWH. The Department has taken the approach that the power is required for operation of Departmental facilities and as such the overhead and a large proportion of the cost is charged against supplying power for Departmental facilities. As a result of this, Treasury Board gave them approval to sell power at a regional rate of 12¢ per KWH but stipulated that this rate could not be lower in case the supply of power was taken over by N.C.P.C. As N.C.P.C. is self-sustaining, it is necessary that they charge enough for all power used to pay for the complete operation. In the meantime, a study has been made on subsidization of power and action is being taken to obtain Treasury Board and Privy Council approval for this subsidization in the Northwest Territories.

In general, N.C.P.C. is operating in the larger settlements serving large industrial loads. Under these conditions, it is only natural that they can provide more attractive rates for the small domestic loads at these sites.

Based on the supply of 150 KWH/month for domestic consumers, the following unit rates are charged by N.C.P.C.:

<u>SITE</u>	<u>DOMESTIC RATE</u>		<u>REMARKS</u>
	<u>For 1st 150/KWH/Month</u>		
Mayo	4.5 cents/KWH		Large mining load and generation by Hydro power, hence no fuel charges.
Whitehorse	3.9 cents/KWH		Large town with over 1,600 consumers within a small area. Generation by Hydro power.
Pine Point) Fort Smith)	5.1 cents/KWH		Large mining load and high density domestic load. Generation by Hydro power.
Fort Simpson	6.2 cents/KWH		High density domestic load. Generation by Diesel using Heavy Diesel Oil which is much cheaper than Arctic Diesel used in other settlements.
Inuvik	6.1 cents/KWH		High density domestic load. Generation by Diesel using Heavy Diesel Oil.
Frobisher Bay	6.2 cents/KWH		High density domestic load. Generation by Diesel and Gas Turbine.
Cambridge Bay	12 cents/KWH		Recently taken over from D.O.T. Generation by Diesel using Arctic Diesel fuel.

<u>SITE</u>	<u>DOMESTIC RATE</u> <u>For 1st 150/KWH/Month</u>	<u>REMARKS</u>
Fort Resolution	10.3 cents/KWH	Generation by Diesel using Arctic Diesel fuel.
Dawson	11.9 cents/KWH	Generation by Diesel using Arctic Diesel fuel.

N.C.P.C. operates plants at Aklavik and Fort McPherson for and on behalf of the Department. The rates are 12¢/KWH in accordance with rates set elsewhere by the Department. At these sites, the actual cost of the production of energy exceeds the 12 cent rate.