

**LEGISLATIVE ASSEMBLY OF THE
NORTHWEST TERRITORIES
9TH ASSEMBLY, 5TH SESSION**

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NORTHWEST TERRITORIES
PUBLIC UTILITIES BOARD
ANNUAL REPORT
1980

TABLE OF CONTENTS

	PAGE
<u>BOARD MEMBERSHIP</u>	2
<u>SCOPE</u>	3
<u>BUDGET</u>	4
<u>WORK CONDUCTED DURING 1980</u>	4
<u>1981</u>	5

BOARD MEMBERSHIP

APPOINTED MEMBERS:

Gordon R. Carter (Yellowknife), Chairman

J. Heath (Inuvik), Vice-Chairman

Beulah Phillpot (Yellowknife), Member

STAFF:

D.S. Thomson, Executive - Secretary

K.L. Green, Regulatory Clerk

CONSULTANT:

W.G. Stephen

LEGAL COUNSEL:

J.G. Gilmour

SCOPE

The Public Utilities Board is empowered pursuant to the Public Utilities Ordinance. Its prime objectives are;

1. to ensure that public utilities in the Northwest Territories operate under the authority of the Ordinance;
2. to review applications for rate revision, analyse and hold public hearings relating to the rate structure of the utility;
3. to investigate, have hearings and adjudicate on any franchise agreement that is renewed, altered or established;
4. to investigate and have hearings on complaints relating to public utilities;
5. to investigate any matter with reference to transmission and production of electricity or natural gas;
6. to provide the Commissioner with information on related matters at his request.

Within the terms of its mandate, the Board presently regulates three utility companies;

Alberta Power Limited

Head office: Edmonton, Alberta

I.C.G. Utilities (Plains-Western) Ltd.

Head office: Leduc, Alberta

Northern Canada Power Commission

Head office: Edmonton, Alberta

BUDGET

The Board functions on a combined (Public Utilities/Highway Transport) budget of \$78,000.00 of which is taken;

1. Travel and Transportation,
2. Freight and Communication,
3. Materials and Supplies,
4. Contract Services,
5. Honorariums and Per Diems.

The above does not reflect a salary total for the two public servants reporting to the Board.

WORK CONDUCTED DURING 1980

In conducting itself on rate applications, public complaints, or franchise applications, the Board has tried to emit an attitude of impartiality in hearing and dealing with matters before it. This, over the past year has been found to be a hard road to follow when the Board is empowered during such hearings to consider all facts as in its opinion are relevant.

The publicity of Board hearings specifically in reference to the Northern Canada Power Commission has found the Board must in its quasijudicial role, maintain objectiveness when knowing through the vehicle of its decisions it can influence future policy of a specific utility or government. The Board, although entitled to express its concerns, has always and will continue not to appear as either having pre-judged a rate application or imply itself to hold an adversary role.

N.C.P.C. is created by an Act of the Parliament of Canada. This act requires N.C.P.C. to generate as much revenue as it has expenses. In regulating N.C.P.C. the Board finds no "basic contradiction" as no responsible Board could ever order a utility to earn less revenue than expenses. The Board may disagree with N.C.P.C. as with any other utility as to what are justifiable expenses and how they should be allocated.

In any rate application there are two distinct decisions that have to be made by the Board. The first is what the financial requirements of the utility are (i.e.: how much revenue do they need). The decision on this involves an evaluation of complex accounting procedures and can only be done by persons expert in the utility field. The second decision is how this revenue is to be raised, in other words, what the specific rate groups and rate zones should contribute towards the revenue requirements.

In evaluating the structure of the rate, strong public input is needed if local concerns are to be considered in the Board's final decision. To date public participation before the Board has been limited. The reason for this is the complex nature of rate applications, and consequently expert help is needed to understand them and question them.

The Board saw an increase in public awareness of the Board's activity over the year and as a result can expect more public involvement in rate application hearings and inquiries in the future. This will result in a more "Northern" response to suppliers of electrical power to the Northwest Territories.

1981

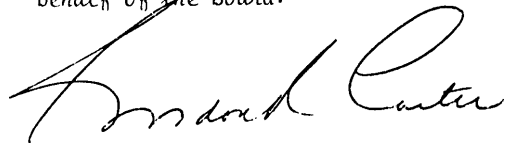
During the coming year, the Board expects rate revision application

from all utilities, a further application with respect to both franchise agreements at Hay River and Yellowknife and a rate rationalization proposal presently being prepared by N.C.P.C.

The Board will also be involved as an intervenor to court proceedings underway between N.C.P.C. and its customers (I.C.G. (Plains-Western) Utilities, and Pine Point/Cominco). This will no doubt bring to light present jurisdictional questions dealing with the Boards power over a federally regulated utility.

1981 as foreseen by the Board will prove to be both busy and a year of further development in the ongoing growth of the Boards expertise in the utilities field and one that will in turn result in benefits to the electrical power consumers of the Northwest Territories.

Respectfully submitted on
behalf of the Board:

A handwritten signature in cursive script, appearing to read "Gordon R. Carter".

Gordon R. Carter,
Chairman.