

**LEGISLATIVE ASSEMBLY OF THE  
NORTHWEST TERRITORIES  
9<sup>TH</sup> ASSEMBLY, 8<sup>TH</sup> SESSION**

**TABLED DOCUMENT NO. 23-82(2)**

**TABLED ON MAY 18, 1982**

Tabled Document No. 23-82(a)  
Tabled 18 May 82

A SUMMARY ANALYSIS  
OF THE  
REPORT OF THE SUBCOMMITTEE ON THE  
NORTHERN CANADA POWER COMMISSION  
(PENNER REPORT)

PREPARED FOR THE  
LEGISLATIVE ASSEMBLY OF THE NORTHWEST TERRITORIES

MAY 4, 1982

Richard Nerysoo,  
Minister for Energy and Resource Development

LEGISLATIVE LIBRARY  
YELLOWKNIFE, N.W.T.

## A. SUMMARY OF THE RECOMMENDATIONS

### 1. Organization

Separate Territorial Crown Corporations should be created to assume the responsibilities of NCPCC. If this cannot be done quickly, the Corporation should in the least be relocated to the North.

### 2. Regulation

All power utilities in the Territories should be fully regulated by the Territorial Public Utilities Board.

### 3. Planning

Electrical power planning should be done by a "planning council" made up of government and private utilities and other producers and consumers of power. The council should prepare and annually update an electrical energy plan. This plan must be consistent with a long term energy policy developed by both levels of government.

### 4. Financing

Existing debt should be forgiven.

For new hydro facilities that will ultimately, but not immediately, be fully utilized, debt charges should be deferred whenever the cost of generation exceeds a reasonable "maximum" price.

The capital cost of all other electrical power facilities should be financed through capital grants not recoverable from power users.

### 5. Pricing

The Government of Canada, in consultation with the Territorial Governments, should annually establish "maximum" prices above which electrical rates will not be allowed to rise.

If, after the financing recommendations are implemented, power costs are still above the set maximum, annual operating grants will be provided to the utility to bring the price down accordingly.

## B. DO THE RECOMMENDATIONS MEET OUR NEEDS?

The NCPCC Subcommittee has carefully considered the submissions made by the GNWT and other northern leaders and has developed recommendations that will meet the electrical energy needs of the NWT. The recommendations made by me and my colleague, the Honourable George Braden were accepted. (See comparison chart).

The committee has gone beyond the suggestions made by northern leaders to suggest a system of capital grants, the establishment of a "maximum" reasonable electricity price, and the development of a broad based "planning council".

The Executive Committee is supportive of the report and will work for its acceptance by the Federal Government.

C. WHAT ARE THE FINANCIAL EFFECTS?

If no action is taken at all, the subcommittee forecasts price increases from an average 1981 NWT rate of 9.90 ¢/kWh to 23.66 ¢/kWh in 1987.

Full Federal forgiveness of NCPC's existing debt and financing of future capital requirements through capital grants would result in a reduction of roughly 4 ¢/kWh in the NWT average rate. In a few NWT communities, this would be sufficient to reduce the current rates below those found elsewhere in Canada. In most NWT communities however, high operating costs would still push rates well above the provincial norm even after capital grants and debt forgiveness.

For this reason the committee has proposed that a "maximum" fair rate be negotiated, for example: 10¢ /kWh. The power utility would be provided with annual federal operating grants to make up the difference between the maximum rate limit and the rate required to recover the operating costs.

In communities with average rates below the maximum, the territorial PUB would decide whether the "lower" or the "maximum" rate would be charged. In the latter case an excess of revenue over cost would accumulate in a fund that could be applied by the PUB for whatever purposes it deemed appropriate - perhaps to develop major new power facilities designed to benefit the territory as a whole.

The subcommittee estimates that the 1982-83 cost to the Federal Government if this policy were in effect, would be \$11.5 million in operating grants and \$4.3 million in capital grants, assuming 10¢/kWh as a reasonable maximum price.

D. WHAT HAPPENS TO THE REPORT NOW?

The subcommittee's report was adopted by the Standing Committee of Parliament on Indian Affairs and Northern Development and tabled in the House of Commons on April 28, 1982. According to the rules of the House, the report does not necessarily have to be debated, but it is our understanding that at this time the members who worked on the committee intend to stimulate general attention to the recommendations.

The Government of Canada is not required to act on the recommendations of the subcommittee. However in his policy announcement of April 19, 1982, the Honourable John Munro mentioned the report as one piece of necessary information in the formulation of Federal Energy Policy.

## COMPARISON OF RECOMMENDATIONS

### GNWT SUBMISSION MAY 1981 AND PENNER REPORT

#### Recommendations by the Honourable Richard Nerysoo

1. NCPC should be split into two autonomous agencies; one serving the NWT, one serving the Yukon.
2. The headquarters of the NWT agency should be located in the NWT.
3. The Agency should become an agent of the GNWT, styled the NWT Power Corporation, receiving policy direction from the GNWT.
4. The existing assets of NCPC's NWT zone should be transferred to the NWT Power Corporation for a nominal sum and all existing debt charges should be cancelled.
5. The NWT Power Corporation should undertake the development of renewable sources of power generation on a high priority basis, through a separate development division and should partake in large scale hydro projects constructed principally for the export of power.

#### Recommendations of the Penner Report

1. The Federal Government should enter into discussions with the Territorial Governments for the purpose of creating separate territorial crown corporations to assume present NCPC responsibilities.
2. The NCPC should be relocated in the North if the alternative of complete federal devolution of the NCPC's responsibilities to the Territorial Governments is not quickly accepted.
7. The existing debt of the NCPC to the Government of Canada should be written off in the accounts of Canada.
4. The Federal Government and the government of each territory should prepare a long term energy policy identifying the overall energy needs of each territory and how they might be satisfied.
5. A planning council (government and private utilities and other producers and consumers of electrical power) should be established in each territory to prepare and annually update an electrical energy plan, taking into account the long term energy policy of the governments, and to make recommendations for government funding of feasibility and other planning studies.

6. The power rates charged should reflect the cost of power delivered.

8. The Government of Canada, in consultation with the Territorial Governments, should annually establish maximum prices for purposes of subsidization of electrical power in the North.

Recommendations by the Honourable George Braden

1. The NCPC must be made accountable to the people of the NWT through the NWT Public Utilities Board.

6. All electrical power utilities in the Yukon and the Northwest Territories should be fully subject to regulation by their respective public utilities boards.

May 6, 1982  
Energy and Resource Development Secretariat.

Tabled Document No. 23-226  
Tabled 18/05/82

ጠቅላይ ልምድ ስርዓታዊ  
ክፍለ-ጊዜ ስርዓታዊ N.C.P.C. - ስርዓታዊ ስርዓታዊ  
( PENNER ስርዓታዊ )

ጠቅላይ ስርዓታዊ ስርዓታዊ  
ክፍለ-ጊዜ ስርዓታዊ ስርዓታዊ  
L.A 4, 1982-ፖ

በሥራ ስርዓታዊ,  
ጠቅላይ ስርዓታዊ ስርዓታዊ ስርዓታዊ ስርዓታዊ  
ፍርድ ስርዓታዊ











6. የዕለታዊ ስራ ለማስፈጸም የሚያስፈልገውን ሰው ስም ይጻፉ።

8. የሰው ስም ለማስፈጸም የሚያስፈልገውን ሰው ስም ይጻፉ።

ሰው ስም ለማስፈጸም የሚያስፈልገውን ሰው ስም ይጻፉ።

1. ስራ ስም ለማስፈጸም የሚያስፈልገውን ሰው ስም ይጻፉ።

6. ስራ ስም ለማስፈጸም የሚያስፈልገውን ሰው ስም ይጻፉ።

LA 6, 1982  
የሰው ስም ለማስፈጸም የሚያስፈልገውን ሰው ስም ይጻፉ።

ጋራ ጠቅላይ ሚኒስትር ሲሆኑ በዚህ ጉዳይ ላይ ለሚከተሉት ጉዳዮች ማረጋገጫ ለማድረግ ለሚችሉት ጉዳዮች ማረጋገጫ ለማድረግ

ጋራ ጠቅላይ ሚኒስትር ሲሆኑ በዚህ ጉዳይ ላይ ለሚከተሉት ጉዳዮች ማረጋገጫ ለማድረግ ለሚችሉት ጉዳዮች ማረጋገጫ ለማድረግ

- 1) በአርባ ስድስት ወር ውስጥ ለሚከተሉት ጉዳዮች ማረጋገጫ ለማድረግ ለሚችሉት ጉዳዮች ማረጋገጫ ለማድረግ
- 2) በዚህ ጉዳይ ላይ ለሚከተሉት ጉዳዮች ማረጋገጫ ለማድረግ ለሚችሉት ጉዳዮች ማረጋገጫ ለማድረግ
- 3) ማረጋገጫ ለማድረግ ለሚችሉት ጉዳዮች ማረጋገጫ ለማድረግ ለሚችሉት ጉዳዮች ማረጋገጫ ለማድረግ
- 4) በአርባ ስድስት ወር ውስጥ ለሚከተሉት ጉዳዮች ማረጋገጫ ለማድረግ ለሚችሉት ጉዳዮች ማረጋገጫ ለማድረግ
- 5) ጠቅላይ ሚኒስትር ሲሆኑ በዚህ ጉዳይ ላይ ለሚከተሉት ጉዳዮች ማረጋገጫ ለማድረግ ለሚችሉት ጉዳዮች ማረጋገጫ ለማድረግ
- 6) ለሚከተሉት ጉዳዮች ማረጋገጫ ለማድረግ ለሚችሉት ጉዳዮች ማረጋገጫ ለማድረግ
- 7) ለሚከተሉት ጉዳዮች ማረጋገጫ ለማድረግ ለሚችሉት ጉዳዮች ማረጋገጫ ለማድረግ
- 8) በአርባ ስድስት ወር ውስጥ ለሚከተሉት ጉዳዮች ማረጋገጫ ለማድረግ ለሚችሉት ጉዳዮች ማረጋገጫ ለማድረግ
- 9) ለሚከተሉት ጉዳዮች ማረጋገጫ ለማድረግ ለሚችሉት ጉዳዮች ማረጋገጫ ለማድረግ
- 10) ለሚከተሉት ጉዳዮች ማረጋገጫ ለማድረግ ለሚችሉት ጉዳዮች ማረጋገጫ ለማድረግ

