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Northwest
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Northwest Territories
Public Utilities Board
Annual Report

For the year ending
December 31, 1987



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John H. Parker
Commissioner
Government of the Northwest Territories
Yellowknife, N.W.T.

Sir:

The undersigned takes pleasure in submitting the Annual Report of the Northwest Territories Public Utilities Board for the calendar year ending December 31, 1987.

A handwritten signature in black ink, appearing to read 'Nellie Cournoyea', written in a cursive style.

Nellie Cournoyea,
Minister Responsible for the
Public Utilities Board of the
Northwest Territories

The Hon. Nellie Cournoyea
Minister Responsible for the
Northwest Territories
Public Utilities Board

Madam:

I have the honour to present the report of the activities of the
Northwest Territories Public Utilities Board for the calendar year
ending December 31, 1987.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "J. Heath", written in a cursive style.

Jack Heath
Chairman
Public Utilities Board



BOARD ORGANIZATION

The Board

Chairman	Jack Heath (Inuvik)
Vice-Chairman	Beulah Phillpot (Yellowknife)
Member	Archie Bevington (Fort Smith)
Member	David Fox (Iqaluit)
Member	Raymond Mercer (Rankin Inlet)

Board Staff

Executive Director	Dale S. Thomson
Policy/Economic Advisor	Mark M. Johnston
Regulatory Clerk	Sherry Shields
Secretary/Receptionist	Lynda Gerhardt
Legal Counsel	Shane Freitag Department of Justice
Consultants	Stephen Johnson Chartered Accountants I.D. Engineering Co. Ltd.

Office Location

4th Floor Scotia Centre
Yellowknife, N.W.T.

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UTILITY REGULATION

The Public Utilities Board is empowered pursuant to Territorial Legislation (**Public Utilities Act R.S.N.W.T. 1974, C.P.-17**). All electrical and gas utilities as defined in the Act are subject to Board regulation. The mandate of the Board as expressed by its Act is to regulate public utilities by approving franchise agreements and fixing utility rates and charges.

Rates, service, and safety considerations are paramount concerns in the regulatory process. In order to obtain information from all interested persons, the Board requests the attendance of the utility and intervenors at Public Hearings.

The Public Hearing process has several steps:

1. Initiation

The decision of the Board to hold a public hearing will be made upon receipt of an application from a utility, upon request of the Commissioner, upon the issuance of a Memorandum of Instruction from the Executive, or upon the direction of the Board that it will investigate a matter under its jurisdiction.

2. Notice of Application/Hearing

Prior to any public hearing, notices are taken out in all relevant publications in the jurisdiction involved. It is customary that a utility advise mayors, town councils, and its major customers in the franchise area of its application by way of general notice.

Any information received by the Board is available from the Board office or the N.W.T. offices of the applicant.

3. Intervention

Written notice of intention to intervene is recommended. This should include the major reasons for supporting or opposing the application. This notice must be filed with the Board and copies forwarded to the applicant within the time specified in the public notice.

4. Interim Rates

On occasion, if a utility believes that a change in its cost of doing business will cause both it and its customers economic difficulty, the utility may apply to the Board for an interim rate approval. In considering such applications, the Board reviews the utilities supporting documentation whilst concurrently evaluating the effects of the proposed interim rate structure on the consumer. The logic behind interim rates is to avoid the "telescoping" of rates into a shortened time frame and to minimize capricious swings in energy prices in the short term, thereby ensuring rate stability over the medium and long term scenarios.



5. **Pre Hearing Documentation**

The Board may direct the applicant to furnish additional information to complete or supplement the application. Written interrogatories from intervenors and the Board are forwarded to the applicant who responds prior to the hearing.

As the number of groups wishing to intervene increases, a Pre-Hearing Conference may be called to assist intervenors in taking steps to avoid duplication of effort.

6. **The Hearing**

The Hearing is formal, requiring all participants who give evidence to be sworn and their testimony recorded verbatim by a court reporter. The utility usually testifies first to file information and present witnesses. Intervenors and the Board are then given an opportunity to cross examine the applicant and supply witnesses of their own. These witnesses can then be cross examined by the utility.

7. **The Board Order**

The Board Order is a legal document in which the Board's conclusions with regard to a hearing are published. All Board Orders are filed in the Supreme Court of the Northwest Territories and distributed to participants of the hearing. Board Orders are binding upon the parties named. Copies of all orders are available to the public upon request.

8. **Review and Appeal**

A Decision or Order of the Board may be appealed upon a question of law. Appeals may be directed to the Supreme Court of the Northwest Territories within two months of the day the Decision or Order was filed.



REGULATED UTILITIES

Presently the Board regulates three utilities;

Northland Utilities (NWT) Ltd.
Head Office: Hay River, N.W.T.

I.C.G. Northern Utilities Ltd.
Head Office: Leduc, Alberta

Stittco Utilities Ltd.
Head Office: Hay River, N.W.T.



INTERVENORS

The Board encourages all who are interested in certain public utility issues to appear at public hearings as intervenors. Because of the specific skills required to test an applicant's case, it is often necessary for consumer groups to hire experts who can guide them in their analysis. The Board may, at its discretion, award costs to intervenors.

In determining the amount to be awarded, the Board will consider the intervenor's participation, including:

- the extent to which the intervenor made a substantial contribution to the proceedings and broadened the Board's understanding of the issues;
- the extent to which the intervenor participated in the hearing process in a responsible manner, cooperating with other intervenors who have common objectives in the outcome of the proceedings;
- the extent to which the intervenor represents a substantial number or class of utility customers.

It should be noted that the Board does not have access to funds for intervenor costs and can make awards only when the money can be recovered by the utility from its customers. This additional cost to customers is an objection raised by those who oppose such awards.

Costs are awarded only after a hearing and to those intervenors who submit their application in the prescribed manner.

While each application is considered on its own merit, the Board has never allowed more than fifty percent of the approved costs of any intervenor.



BOARD ORDERS 1987

DECISION 1-87 MAY 27, 1987

BACKGROUND

Stittco Utilities (NWT) Ltd. made application for Board approval of a Franchise Agreement with the Town of Hay River. Under the terms of the agreement, the Town of Hay River granted Stittco the franchise rights to construct, operate and maintain a gas distribution system within the Town.

ORDERED

The Board approved the non-exclusive Franchise Agreement effective November 28 1986 for twenty years with options to renew.

DECISION 2-87 JUNE 26, 1987

BACKGROUND

Northland Utilities (NWT) Ltd. filed application for Board approval of proposed electrical rates for the Community of Trout Lake.

ORDERED

The Board approved the proposed rates on an interim refundable basis for a period of one year or such period as determined by the Board. In order to monitor the use of electrical power in this new franchise area, the Board requires quarterly reports from the utility.

DECISION 3-87 OCTOBER 15, 1987

BACKGROUND

I.C.G. Northern Utilities Ltd. made application for changes in the existing rates, tolls and charges for electrical energy supplied to its customers effective June 3, 1987. The purpose of this hearing was to provide the Board with information necessary to review the refund of overcollection of monies from the period April 11, 1983 to October 31, 1985 as ordered in Decision 2-86.

ORDERED

The Board concluded that the terms of the refund of overcollection as ordered in Board Decision 2-86 were complied with. Further, the Board drew to I.C.G.'s attention the conditions outlined in the Automatic Adjustment Passthrough Section, Item 4 of Decision 2-86



DECISION 4-87 October 15, 1987

BACKGROUND

I.C.G. Northern Utilities Ltd. made application to the Board for changes in the existing rates, tolls and charges for electrical energy furnished by I.C.G. to customers in the Yellowknife service area. The purpose of this hearing was to require I.C.G. to provide all relevant documentation required to provide a full and complete review of the applied for rate adjustment effective January 1, 1987

ORDERED

I.C.G. was ordered to prepare and file with the Board, within 30 days of the order, a schedule of just and reasonable annualized rates and an appropriate refund rider for the test year 1987. The Board approved the Electric Service Regulations as amended and issued a number of additional directives for the applicant's compliance.

DECISION 5-87 OCTOBER 19, 1987

BACKGROUND

Stittco Utilities N.W.T. Ltd. applied to the Board on April 29, 1987 for approval of proposed distribution rates for provision of proposed service to the Town of Hay River. Stittco filed a revised application to the Board by letter dated July 8, 1987, and revision dated July 7, 1987. The revision included the necessary changes to account for the change in scope in the initial phase, the revised facility costs, and the expected volume additions.

ORDERED

The Board approved the rates as submitted on an interim basis. Stittco was ordered to provide to the Board copies of all inspection approvals up to and including pressure testing and light up. A General Rate Application Hearing with updated information would be held in December 1987.

DECISION 6-87 NOVEMBER 13, 1987

BACKGROUND

I.C.G. Northern Utilities made application for changes in the existing rates, tolls and charges for electrical energy furnished to its customers in the Yellowknife service area, effective January 1, 1987 pursuant to Board Decision 4-87, dated October 15, 1987.

ORDERED

The Board order included:

1. That I.C.G.'s income tax component shall be increased by \$5,727 to allow a total 1987 revenue requirement of \$10,034,330
2. That the overcollection of revenue for the period January 1, 1987 to November 30, 1987 shall be refunded in a lump sum on the December 1987 billing.



1987 IN REVIEW

The development of the first piped propane system in the N.W.T. began operating in Hay River this year. The Town of Hay River and Stittco Utilities N.W.T. Ltd., entered into a franchise agreement that is expected eventually to provide piped propane to all parts of the community.

In conjunction with hearings for the Hay River Gas Franchise, the Board sponsored a gas seminar for interested citizens of Hay River.

Additional training activities for Board and staff included a seminar with Mr. Miles Patterson, Q.C. who shared his insights gained through many years experience with utilities and regulation.

Two members attended the McGill Training Program and four attended the annual meeting and seminars sponsored by CAMPUT, the Canadian Association of Members of Public Utility Tribunals.

The Community of Trout Lake began receiving electrical power in March of this year with 31 homes and businesses hooked into the system.

As a result of Board Order 4-87 regarding an I.C.G. General Rate Application Hearing, the City of Yellowknife has filed an appeal in the Supreme Court of the Northwest Territories.



100 YEARS OF REGULATION IN NORTH AMERICA

1988 will be the centennial of utility regulation in North America, a time for regulators to look back at their problems and successes. Many of the issues of the past have been resolved and it remains to be seen if regulation can meet the challenges of the future such as problems of pollution and aesthetics, competitive pricing and promotional practices.

Critics suggest that regulation is backward looking, preoccupied with the events of the past. It does nothing to stimulate change, seeking to maintain order on the basis of old technology. It is slow to adapt to change. New problems appear, but regulatory thinking lags. Competition by contrast is dynamic.

No one would deny that the regulatory process requires much time, time for fulfilling the requirements of just process: investigating, giving notice, holding hearings, studying the record, making findings, issuing orders, considering appeals.

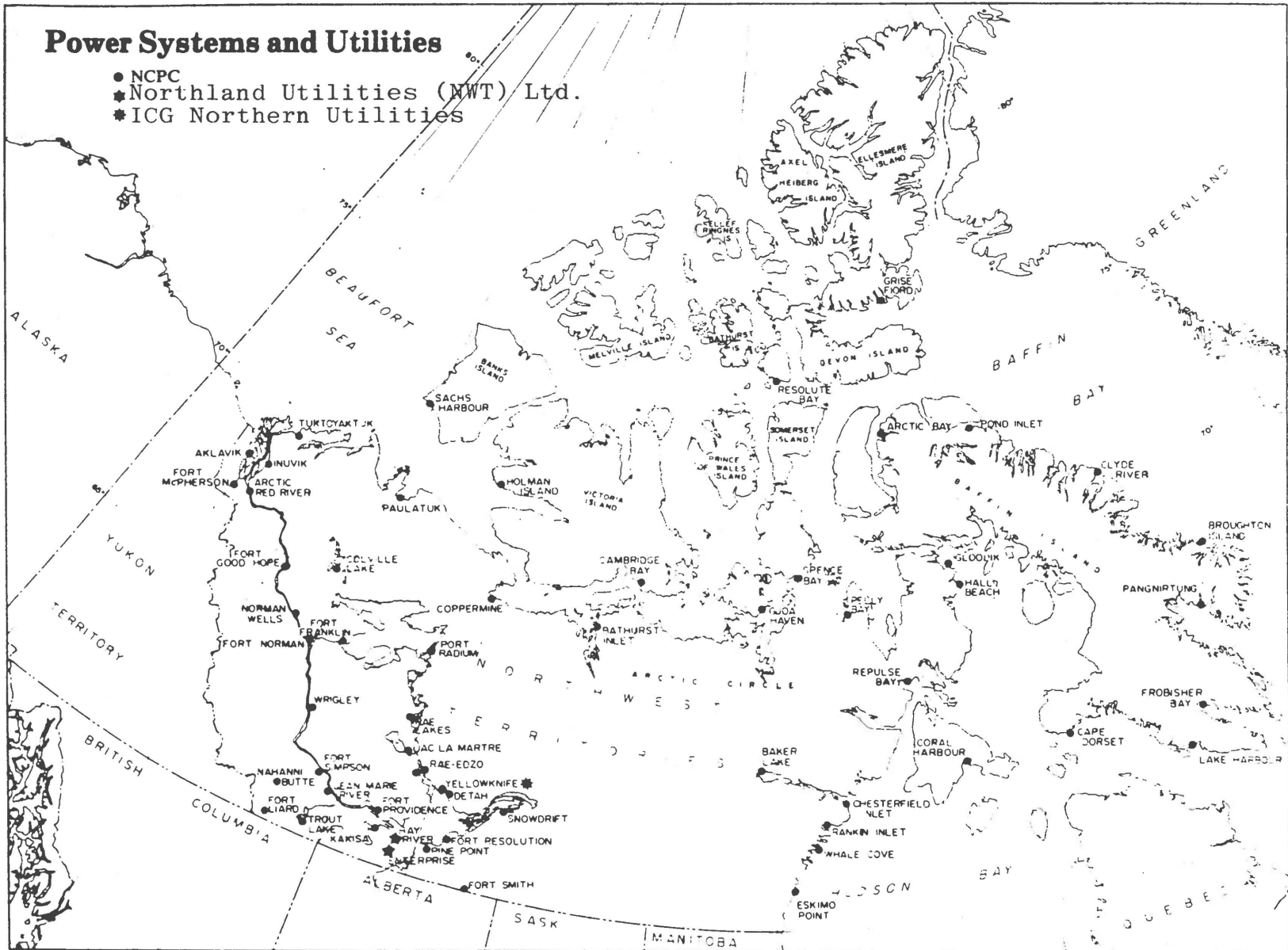
Many boards have tried to streamline the procedure to reduce regulatory delay: prehearing conferences are used to determine the areas of agreement or dispute; previously prepared and distributed (so called canned) testimony often is permitted, reducing the burden of trial examinations.

Informal proceedings are increasingly being used in place of formal procedures. Negotiated settlements are more appropriate than litigation for straightforward issues and may prove to be an important procedure in the future.

While problems have been identified in the regulatory process, this does not mean the process has been a failure. The economic performance of many utilities has been impressive, with growth far exceeding the rate of the economy as a whole. Rates have risen far less than prices generally, even in some instances, declining, while their return on capital has been considerably below those earned by other industries. While performing at this excellent rate, utilities have provided a wide variety and high quality of service.

Power Systems and Utilities

- NCP
- ★ Northland Utilities (NWT) Ltd.
- ✱ ICG Northern Utilities



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Δελφίνης Παναγιώτης

Διευθυντής

Π. Α. Δ.

Διευθυντής

Προς: Διεύθυνση Περιφέρειας Αττικής, Δ/νση Περιβάλλοντος και Χωρικού Σχεδιασμού, Αθήνα, 31.10.2017.

Αθήνα

Πρωτ. 1234

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Δ/νση Περιβάλλοντος και Χωρικού Σχεδιασμού

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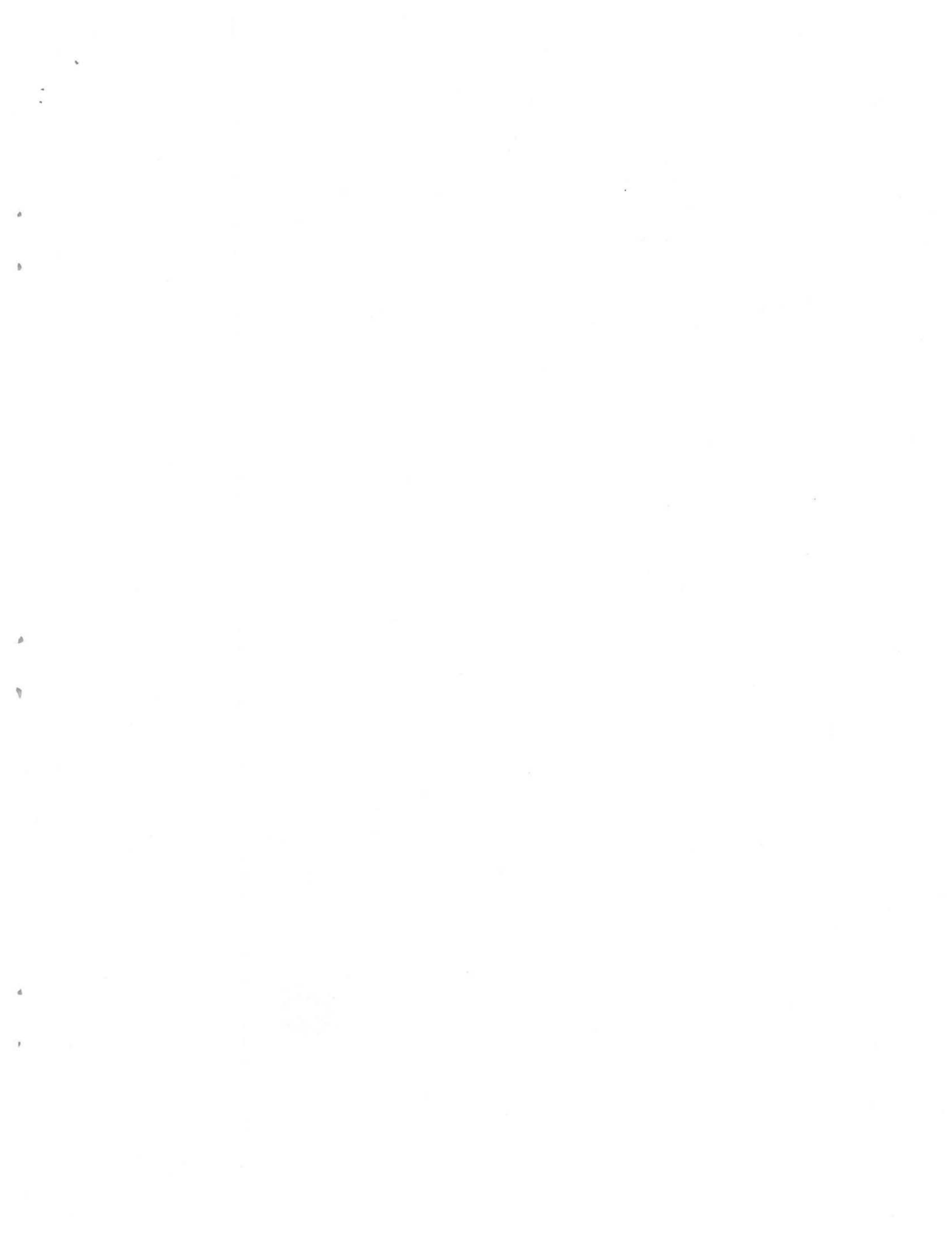


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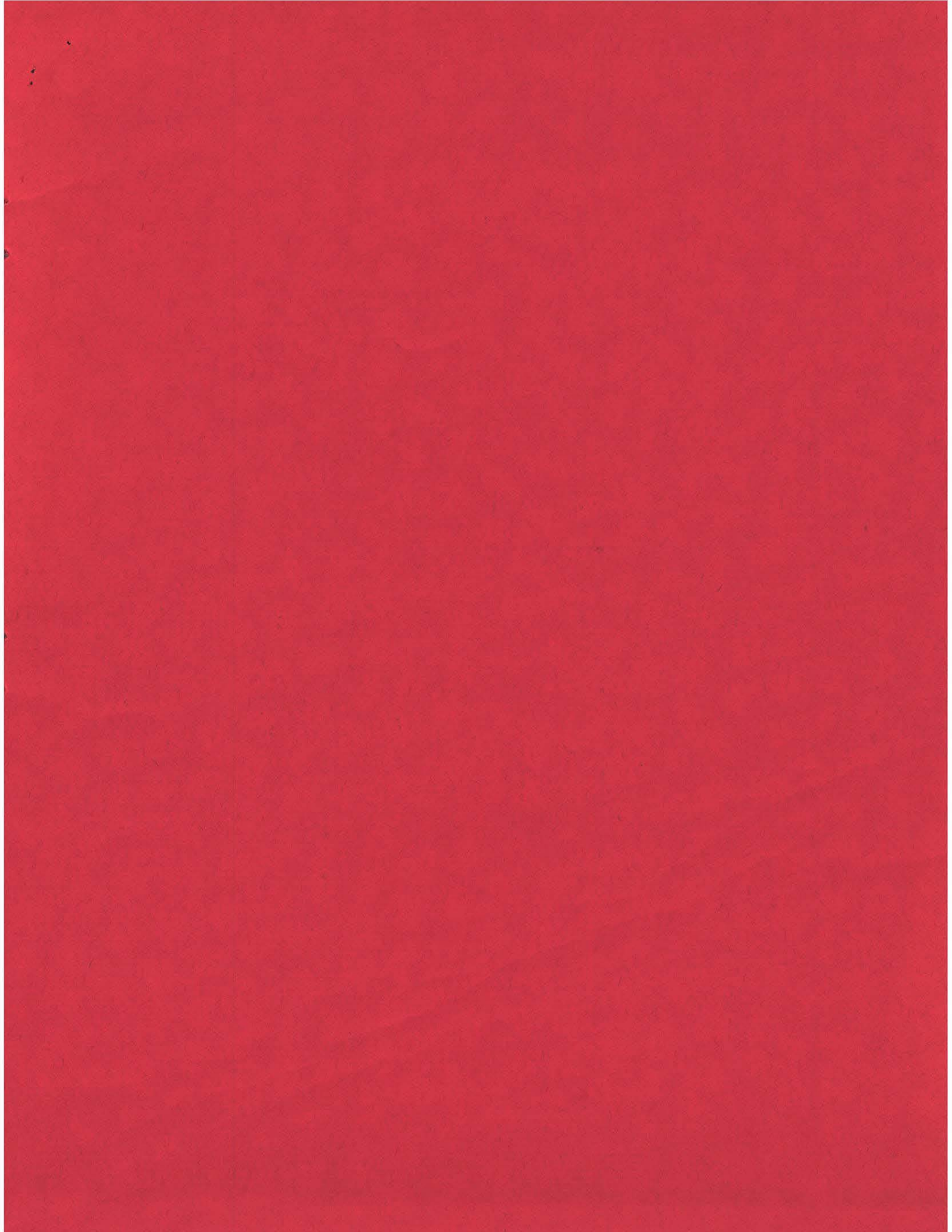
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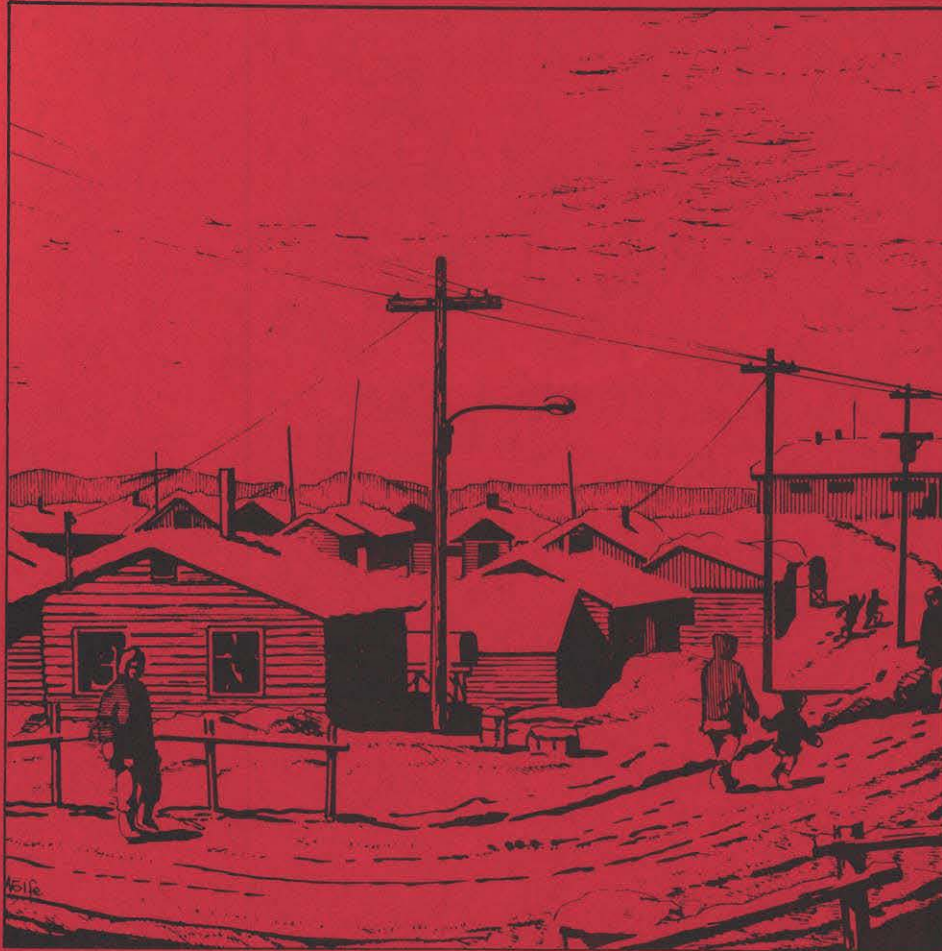
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Yellowknife, N.W.T.

1987
**Annual
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**PUBLIC UTILITIES
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