

FINDINGS OF THE ROBERTSON REPORT

NWT ELECTRICITY REVIEW DISCUSSION PAPER FACTSHEET

The creation of Nunavut in 1999 resulted in the division of the Northwest Territories Power Corporation (NTPC) and the loss of economies of scale provided by a single power corporation. This led to the need to re-evaluate the provision of electrical services in the NWT. A Review Team was established to review the legislative, regulatory and policy framework for electrical generation, transmission and distribution in the NWT as well as the mandate and role of the NWT Power Corporation and determine whether its structure was appropriate for the new operating environment.

The following is a brief summary of the key findings and recommendations of the Review team, known as the Robertson Report, which was completed in 2001: *(The first recommendation was implemented but the others were not)*

- Set up the Northwest Territories Power Corporation (NTPC) and Northwest Territories Energy Corporation (NTEC) as arm's-length corporations from the Government of the Northwest Territories (GNWT) and governed by *Canada Business Corporations Act*. As well, the two corporations should be restructured so that NTEC would be a non-regulated parent company and NTPC would be regulated subsidiary.
- NTPC should be provided with the distribution monopoly franchises for all locations currently served. Northland Utilities (NUL) awarded franchise for areas now served and grandfathered for 20 years.
- GNWT implement a \$.01 levy on all hydro and exported power sales.
- The future and additional electrical generation is to be open to competition with the provision that all technical requirements outlined by utilities are met.
- The Petroleum Products Division with the Department of Public Works and Services which coordinates the resupply of fuel not serviced by the private sector should be transferred to NTPC for a nominal sum.
- GNWT implement a new streamlined regulatory system.
- The Public Utilities Act should be updated or repealed.
- The PUB establish a new framework for the regulatory regime based on the following:
 - o Terms and Conditions of Service;
 - o Rate of Return formula based on the British Columbia Utilities Commission system plus premium for NWT; and
 - o Establish rate base, revenue requirement and a conservation rate for consumption over 1,000 kWh/month.
- The PUB should be requested to develop two rate zones (hydro and other) and the appropriate rates for each rate zone.

The Robertson report can be viewed in its entirety at <http://www.nwtenergy.ca>