

POLICY DIRECTION TO PUBLIC UTILITY BOARDS

NWT ELECTRICITY REVIEW DISCUSSION PAPER FACTSHEET

In the Northwest Territories, the Public Utilities Board (PUB) is a quasi-judicial Board that has broad powers in reviewing and establishing electricity rates and has sole jurisdiction over the regulatory process in the NWT.

The Board reports to the Minister Responsible for the PUB, however, the *Public Utilities Act* does not specify to what extent the GNWT can issue directives to the Board. Administrative direction is clearly allowed, but the extent to which policy direction can be issued is not clearly defined.

A number of jurisdictions in Canada do provide for policy direction from government to utility regulators such as the Public Utilities Board.

The Ontario Energy Board Act provides that “the Board shall be guided by” a number of objectives as determined by government. Further, the Act says that “The Minister may issue, and the Board shall implement, policy directives that have been approved by the Lieutenant Governor in Council concerning general policy and the objectives to be pursued by the Board.” (Sec. 28 (1))

More specifically, the Act requires that the Board “shall provide rate protection” for consumers in rural or remote areas and sets out the powers of the Ontario Cabinet to ensure this happens.(Sec. 79(1))

The British Columbia Utilities Commission Act provides that the “commission must comply with any general or special direction, made by regulation of the Lieutenant Governor in Council, with respect to the exercise of its powers and functions”. (Sec. 3(1) and 3(3))

There are two elements of government involvement here:

- One being the setting of general policy direction which a regulator is “guided by” as it carries out its activities.
- The other being the issuance of specific “directives” that in some detail set out how a regulator is to deal with a specific issue.

The difference lies in the amount of discretion that is left to the regulator.

It should be noted that some PUB’s in large jurisdictions do have other broad powers, including the ability to direct utilities to utilize a specified percentage of green energy or have them development and implement energy conservation and efficiency programs. The GNWT is currently investing substantial sums in the development of such initiatives and due to the high cost of living in our communities, such programs should likely continue to be funded from general government revenues rather than through increased electricity rates.