

Natural gas is currently being produced at two locations in the NWT but only the Norman Wells production is consumed in the NWT. Produced mainly as a by-product of oil production at this location, natural gas is a major source of energy for the Norman Wells community since it is relatively cheap and environmentally safe.

Distribution to other communities from this and other fields has been hampered by the geographic constraint. Communities are usually too far away or too small to warrant the necessary production and distribution costs. Therefore, Norman Wells remains the only supplier and consumer of natural gas in the NWT.

c) **The Cost of Energy**

The delivered cost of different energy forms varies widely. Table 15 sets out the average delivered cost of the main types of energy in the NWT. The Southern Canada average is derived from ten cities, one in each province.

Table 15 shows that electricity produced from hydro stations is considerably cheaper than diesel engine generated electricity. Wood for home heating, in all locations where it is available, is cheaper than furnace oil.

Table 15 Delivered Unsubsidized Cost of Various Energy Forms (Dec. 1983)

	NWT	\$/GJ	Southern Canada +/GJ
Hydro Electricity	9.3¢/kwh	25.83	4.4¢/kwh 12.22
Diesel Electricity	25.22¢/kwh	70.05	N/A
Wood Spruce (20% moisture)	\$100 /cord		
Heating Oil	55¢/litre	14.00	34\$/litre 8.70
Natural Gas	Norman Wells \$4.50/MCF or \$160/1000 m ³	4.30	

Source: EMR Secretariat

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Source: Conservation of Energy in Housing, EMC 1981