

Northern Canada Power Commission

not a Public Works building. It is part of the assets and will be transferred with the shares.

Ms. McLaughlin: Madam Chairman, I have a question for the Minister. I understand from the memorandum that the issue of the Inuvik Utilidor is an exclusion, or that there is some dispute about it. I suppose it would be correct to say that there is a difference of opinion about who it belongs to and so on. Can the Minister say something about what kind of negotiations will go on about that?

It is obvious that for that type of infrastructure there is a certain amount of maintenance that is required. I understand that there is some reworking that has to be done in order to allow it to continue to be functional. It is essential to the community of Inuvik. Can the Minister comment on what plans the Government might have around that specific item? I know that it is somewhat ancillary to this, but it is mentioned in the agreement.

Mr. McKnight: The Hon. Member for Yukon is correct, it is mentioned. There have been discussions and it was not part of NCPC's assets. It is an important utility in Inuvik. At present the Government of Canada is discussing with the Government of the Northwest Territories the future of the commitments that both Governments will have to make towards its upkeep. It is not an asset which is sought after by either Government. That, I think, would be an accurate way of putting it. We realize that it is important and we are having discussions with the Government of the Northwest Territories. I am sure that we will come to an agreement in due time to continue to have the upkeep and the necessary maintenance dollars expended. It will cost some money to maintain that utility.

Mr. Penner: Madam Chairman, the agreement in principle of February states in Section 8(1) that after the transfer the electrical utility operations will be subject to regulation by a regulator appointed by the GNWT. I take it that that will be a public utility of the Northwest Territories.

I am curious, however, that in the background information that was provided to my office by the Minister and his department, for which I thank the Minister, it states that NWTPC will eventually, after a transition period, be regulated by the NWT Public Utility Board. I am curious as to why there is a transition period. As soon as this Bill is given Royal Assent and gazetted why could that authority not take place immediately? Is there some difficulty, some problem of which the House should be aware? Does the difficulty lie with the Northwest Territories? Is it something that it wants to resolve? Or is the Government of Canada in any way creating some sort of an impediment to this full transfer of regulatory power?

Mr. McKnight: Madam Chairman, both parties agreed to the transition period. It was up to the Government of the Northwest Territories to regulate. They wished a period of time to become familiar and to establish a board and to establish the groundwork for a board and what other utilities

or activities could be undertaken by the board. It was entirely at the request of the Government of the Northwest Territories. We were pleased to assist them. They wish to take this over. They wish the responsibility, but they also wish to do it properly and to be prepared when it is done.

• (1630)

Mr. Penner: I want to check my arithmetic with the Minister to ensure that my calculations are correct. The \$96 million of debt of NCPC is being put into a new capital structure, \$53 million in promissory notes, and \$43 million in share capital. It is the \$43 million that is a write-down by the Government. The sale is going to the Government of the Northwest Territories for \$53 million. It is also noted that there are some \$25 million of retained earnings. Therefore, the actual cost to the Government of the Northwest Territories is \$28 million. I want to receive confirmation from the Minister that that is in fact the case.

Mr. McKnight: I am informed that indeed the \$25 million is part of the share offering that will be transferred. I am also informed that one may not necessarily calculate the \$25 million off the \$53 million. For some reason that may not be accurate. It is part of the asset and the costs could be written or prescribed, or I would assume that other shares could be written or issued by the Government of the Northwest Territories including the \$53 million, not only the \$53 million minus \$25 million.

Mr. Penner: I will not push that particular item. I would like to make a request of the Minister that perhaps there could be a clarification in writing from the officials in order that I could read it once, twice, thrice, and actually understand it.

I wonder if the Minister could advise Members as to the total value of the Public Works housing that is being transferred at no cost to the Government of the Northwest Territories. The Minister may not have that figure handy, or it may not be in his possession because it is another government department.

Mr. McKnight: There is not a market value assigned to the DPW housing, but the replacement cost could be identified at anywhere between \$8 million and \$10 million. The market value is not something that we prescribe to those structures.

I assure the Member that we will provide the information as to the mathematics of sale.

Mr. Penner: This is my final question, Madam Chairman, and perhaps it is a rather large question. I would only like some indication from the Minister. For a long while now the standing committee has been concerned about the continuing role of the Department of Indian and Northern Affairs as devolution continues a pace moving toward full responsible government. Also, the so-called old Chrétien formula has long been abandoned. In the days of his Ministry it was strictly adhered to that no government department, Minister, or agency went into the North without the consent, advice, and