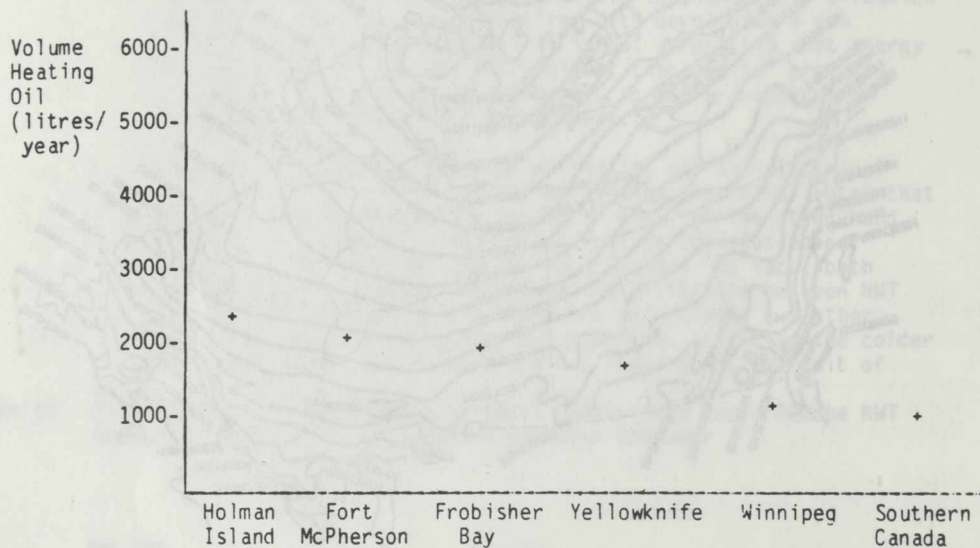


building area. Chart 2 plots "degree days" for Canada as a whole with key communities noted. Though "degree days" is an imperfect measure of residential building heating load, it does provide a rough indication of relative requirement. The point made is that, not only are Northern community prices higher, but residents of the area must consume greater quantities to maintain the same comfort level. Graph 12 illustrates this affect, indicating relative consumption for a comparable dwelling in various places.

**Graph 12 Average Consumption of Heating Oil for a Standard Three Bedroom Single Storey Detached House (December 1983)**



Source: EMR Secretariat

Secondly, the price that private northern residents pay for their fuel is highly subsidized by the territorial and federal governments. It was an economic necessity for government to establish these subsidies. Graph 13 shows the current level of subsidization in the average NWT community not on the Snare or Taltson Hydro systems and serviced by POL. It records the fact that domestic consumers pay roughly 56% of the cost of their heating oil, and 39% of the cost of their electricity.