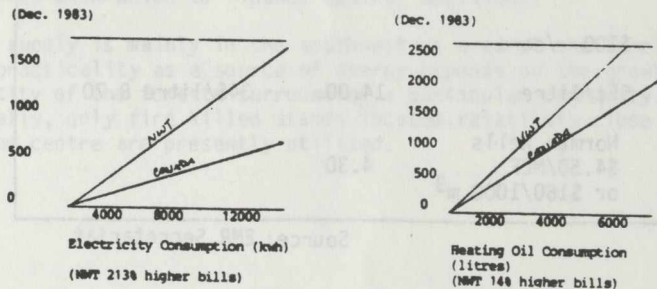


In Southern Canada consumers have a relatively wide selection of energy sources from which to choose. For example, houses can be heated with low cost electricity, propane, natural gas, wood or heating oil. Business and industries have the same options for St. John's, Charlottetown, Halifax, St. John, Montreal, Thunder Bay, Winnipeg, Saskatoon, Edmonton and Vancouver.

In the NWT, however, the list of choices is much smaller. Often there is no choice at all. Consumers are then dependent upon particular fuel which may be quite expensive. Diesel engine generated electricity, for example, is the only source available to the majority of NWT communities. It is an inefficient method of generation, producing only about 32% of the energy value of the diesel fuel burned up in useable electricity. The individual consumer is generally unable to change this situation because of the large costs involved with developing a new electrical generating source. It is not surprising that energy prices in the NWT are generally higher than similar products elsewhere in Canada due, principally, to the transportation costs that must be paid by Northerners.

Graph 11 provides a comparison of heating oil and electrical costs across the country. The charts show electrical rates that exceed by a wide margin the Southern norm. On the other hand, the "typical" remote community has fuel prices that appear reasonable in comparison to Southern Canada. In fact, both charts actually grossly understate the difference between NWT and Southern energy costs. There are essentially two other considerations that apply in this equation. Firstly, the colder northern climate increases the final requirement per unit of

**Graph 11 Electricity Bill and Heating Oil Bill Comparisons for a Remote NWT Community Consumer vs. a Southern Canadian Consumer**



Source: EMR Secretariat