

Legislative Assembly of Alberta

Title: **Tuesday, October 26, 1993**

8:00 p.m.

Date: 93/10/26

head: **Committee of Supply**

[Mr. Tannas in the Chair]

MR. CHAIRMAN: We would ask the committee to come to order. The big hand is pointing to 12 and the little hand is pointing to 8.

head: **Main Estimates 1993-94**

Energy

MR. CHAIRMAN: We would call upon the minister for any comments or answers to questions asked in the previous session.

MRS. BLACK: Thank you, Mr. Chairman. This is the second session for the estimates of the Ministry of Energy, and it is an honour to have the opportunity to once again appear before the committee. I undertook to provide written responses to any questions that I did not have sufficient time to adequately address at the committee's September 28 session, and I have with me this evening copies of both the questions and my responses. I'd like to table all 35 pages of these with you, Mr. Chairman. I hope this will satisfy the hon. members' collective desire to understand the Energy ministry's roles and functions.

Rather than spend a lengthy time in a preamble, Mr. Chairman, I am restricting my remarks to allow more time for questions. I once again undertake to review *Hansard* and to provide written responses to any questions that I believe were not adequately addressed tonight and that were not answered in the package of material that I have presented.

Thank you very much.

MR. CHAIRMAN: Thank you.

Before we call upon Calgary-West, again we'd ask the indulgence of all members. There's a difference between talking, laughing loudly, and whispering, and we would like you to do the latter and not the former two, unless you're outside this Chamber, as a courtesy to the minister and those people who would like either answers or would like to ask questions or both.

Hon. Member for Calgary-West.

MR. DALLA-LONGA: Thank you, Mr. Chairman. I'd like to start off by thanking the hon. minister for providing the responses to the September 28 discussion. We'd like to start off with the hon. Member for Edmonton-Whitemud's questions.

DR. PERCY: Thank you. Mr. Chairman, my questions relate to two areas under the hon. minister's . . .

MR. CHAIRMAN: Pardon me. I'm sorry; the Chair missed that. Was that a lateral or a forward pass?

MR. DALLA-LONGA: I think it would probably be a forward pass. The hon. Member for Edmonton-Whitemud requested to speak first, and I don't see that there's any problem, unless the Chair has a problem.

MR. CHAIRMAN: Normally there isn't, but you don't normally give it to someone else. It goes through the Chair. If there is a debate going back and forth, fine. I just missed the connection

here. Certainly Edmonton-Whitemud is quite welcome to ask questions and to speak at this point.

MR. DALLA-LONGA: I just wanted to break up the routine a little bit.

MR. CHAIRMAN: Or keep me awake; one or the other. Edmonton-Whitemud.

DR. PERCY: Thank you, Mr. Chairman. I have questions in two areas, and I have a bit of a preamble, I regret, to the questions, just to get into the role but also to set the context. This really relates to expenditures, I would hope, under vote 2.3, Markets, Supply, and Industry Analysis.

One of the more controversial issues that has faced the ministry over the past two years has been the negotiations between the Alberta gas producers and California regarding the restructuring of long-term natural gas contracts. Certainly it has been contentious. It has been an effort, then, by a large buyer to exert its market power on a seller who has dedicated capital there through the pipeline. In one sense it's very reminiscent of what occurred under the NEP in the sense of again a single buyer attempting to exert its market power to our disadvantage. I think, generally speaking, it is always the case that a large buyer will attempt to put the boots to a single seller if there is the potential for any exercise of market power.

Certainly, as was noted earlier by actually the Leader of the Opposition, a colleague and I have written extensively about the nasty consequences, the harm and detriment to Alberta of the NEP. We have calculated the net flows to the province of Quebec also under that, so are on record as viewing the NEP as being detrimental to Alberta's interest in the short and certainly in the longer term. To an extent you see a similar type of behaviour occurring on the part of California in an attempt to set the rules of the game to its favour.

The ministry, then, has been engaged in extensive negotiations to try and protect the interests of Alberta and all Albertans in getting a fair market value for our natural gas exports in the short and long term and to ensure that there is some premium available for security of supply. If you enter into a contractual relationship, it's really a long-term commitment by the province of Alberta to supply at a price, and there should be a premium attached to that. It shouldn't be a mechanism by which we're shifted into the short end of the market when it's to the advantage of the buyer and then we're locked into long-term contracts when it's less to our advantage. The minister and her department have spent considerable time and effort trying to get a good deal for Alberta in this regard.

My questions, though, deal with the state of negotiations as they would be funded in large part out of I think vote 2.3 and would have occupied a large amount of the minister's time and probably will continue to occupy the minister's time.

The first question I have is: can the minister comment on the concerns expressed by Alberta producers with respect to the CPUC's attempts to impose high tolls for gas moving within California after November 1 on new pipeline facilities, which may actually serve to impede California gas from moving into California at the lower tolls which apply in the PG and E pipeline with California? In one sense the state of negotiations has moved us into another kind of a rat's nest where we may in fact get the short end of the stick, and I would be curious as to the state of play in those negotiations, just the structure of what is happening and what the minister sees as the outcome. As I say, they are being funded out of I think that particular vote.

Following upon that question, I would be interested to know what steps the minister has taken to ensure that Alberta gas is not shut in at the California border in light of this issue over tolls and the feedback then back to Alberta.

Finally in that light, I'd like to know the role that the facilitator, J. Makowski, and the APMC played in this process. What have been their roles? Was it in fact an even-handed process? Did we achieve our objectives? What has been the structure in place to ensure that our interest of receiving the highest value for natural gas has been achieved?

The fourth question concerns the \$200 million offered by PGT to Alberta producers to reform long-term contracts. Does the minister view this to be reasonable in light of recent settlements between Canadian producers and U.S. pipelines under the auspices of FERC 636. There is a study in place by Ricon research corporation, July 1993, which noted that the standing offer to pool members for contract restructuring probably will result in substantially lower recovery of full contract value than had been achieved in other settlements of a similar nature. So I'm curious as to the minister's view of the Ricon research corporation study and its implications, then, for the recovery of full contract value. These were contracts entered into in good faith, and it appears that - I'll be polite - Alberta producers are in fact receiving the short end of the stick on this. So, again, I'm curious as to what is being done there and how the minister views the offer in light of the Ricon study.

My final set of questions, on an entirely different topic, relate to the Alberta royalty tax credit. It's a program which returns a portion of Crown royalties back to the industry on an annual cash basis. Now, ARTC is of crucial importance to small oil producers in Alberta, and I would hope that the minister, then, in light of the budget projections is prepared to give small oil companies an indication as to whether the program will be renewed so that they can make long-term planning decisions. Really the planning horizon in light of a lot of uncertainty in the international market - any stability that can be given domestically by the minister would certainly help investment and thereby employment.

Now, there have been some suggestions from the industry that the ARTC be made a more permanent program precisely to introduce certainty. Has the minister undertaken studies or examined mechanisms which would make the ARTC program more permanent? Again, this is related to the issue of the planning horizon and these policy shocks that emerge through time.

Following on that, not only certainty relates to the ARTC, there are issues often expressed by industry about the redistributive nature of the ARTC and whether benefits are being targeted effectively to small producers, because that is naturally of consequence to the program. Can the minister indicate whether she or her department is examining these concerns. Are studies being undertaken, and what steps are being taken in this regard? I'm just assessing as to who receives the benefits and if the targeted groups are receiving the benefits under the ARTC. That certainly is a concern that has been expressed.

Finally, given that the government is examining the ARTC as part of phase 2 of royalty reform, has the government undertaken any cost/benefit studies of the ARTC program in terms of its impact on reinvestment rates particularly of small companies, increases in drilling activity, and job creation just to provide a broader context for justifying the existence of that program?

I thank you, Mr. Chairman.

8:10

MR. CHAIRMAN: Hon. Minister of Energy.

MRS. BLACK: Yes, Mr. Chairman. I thought I'd answer some of these questions because they are questions that are very important to all of us as we go along, if that's okay. For some of them you'll find part of the answer in the responses that I tabled at the start of this evening.

The hon. Member for Edmonton-Whitemud asked us about vote 2.3, Markets, Supply, and Industry Analysis, as it pertained to the California issue that has been around for three and a half years. Certainly, Mr. Chairman, this has been a very important issue and concern for our Alberta producers and for this government. We've taken a position that the commercial bodies must enter willingly into a restructuring mode themselves. We are in a deregulated system in this country and in this province, and we believe in the market forces. So it becomes very important that willing buyers and willing sellers get together and restructure and renegotiate on a commercial nature without interference.

Now, there were some very rough times, I will grant you, over the last three and a half years of which our people within our department and through the APMC were able to work with industry to try and come to some resolve to some of the critical points in the restructuring mechanism. I'm pleased to say that the commercial renegotiation of A and S contracts with PG and E has come to a resolve. They were able to come to agreement on restructuring and in fact decontracting, and that has been under way. In fact, they met and decided on the financial consideration that would be associated with restructuring those contracts. That's not the government's role to say what the value of those restructuring contracts would be. That happens to be between buyers and sellers, Mr. Chairman. So the industry players entered into agreements in good faith and made decisions on their own as to the financial implications involved in that, and that's how a free market system operates. It has been a long process, and we're pleased to see that some of that is now complete.

Insofar as where we go from this point forward, applications have been filed with FERC on the rolled in tolling issue from PGT. I believe it's under section 4. That will proceed through hearing as quickly as possible to look at the rolled in toll issue as opposed to incremental. There will be another process as we go along that talks about the regulatory process inside California, but we're anxious to see and I'm pleased to report that the pipeline will be open on November 1 of this year. It has the capacity to move a bcf of gas through it, which is good for our producers, provides another marketplace and another economic opportunity for Alberta producers. So let's be very clear: Alberta government's role was there to assist but was not in a position to interfere in the commercial restructuring, and in fact we did not do that. We took our lead from our producers and encouraged a resolve to be developed and to be found as early as possible.

I'm pleased also, Mr. Chairman, to hear the hon. member's support for the junior and intermediate oil companies and the oil companies in general on the ARTC program, the Alberta royalty tax credit program. It has been a very good program. It's been in place four years. There's another year and a few months to go on that program. The commitment was made to have a five-year program when it was put in place. That expires December of 1994 and, as I've said in this House before, the program is under review. Input is coming in from industry players, economists. If you have some information that you'd like to share with me before we reach the stage of making recommendations, I would be pleased to receive your information and your input on this. It's been a very successful program. It is a program that is global to the industry. It is not only offered to juniors; it is offered to junior, intermediate, and major oil companies. It's not discriminatory by nature. It is across-the-board policy of this government,

and it has been very successful. So if you have some information that you would like to share or some ideas, our door is open, and we'd be pleased to see that from you.

Thank you.

MR. CHAIRMAN: Okay. Thank you.
Calgary-West.

MR. DALLA-LONGA: Thank you. I'd like to just go through some of the votes now and some of the accounts that I'd like to have some questions on. The first: under vote 1 I notice that for 1992-93 the forecast versus the estimate is the same number. I wonder how that could be that the actuals came in exactly as what the estimate was. I'm looking under program 1, vote 1.1.1. That was \$402,320. In addition to that, our analysis of this vote indicates that consistently since 1989-1990 there's been an overexpenditure. The actuals have been higher than the estimates, ranging anywhere from about \$50,000 to \$70,000-some. This year we're estimating \$382,000. That's just a minor observation. If you might provide some answers to that, I'd be grateful.

The next vote is 1.2.4, Human Resources. Can the minister explain the reason for the overrun on the vote last year and explain why we would not have a similar overrun occurring this year? It's about 5 percent; not a large amount but nonetheless.

8:20

In addition to that, vote 1.2.4, the one we just talked about, the number is identical. The actual is the same for '92-93, the estimate was the same number, and this year's estimate is the same number. Reflecting back on my auditing days, that always sort of caught my eye. I don't know why that would possibly happen. The number is \$577,149.

The same question applies, I guess, to 1.2.1. I stand corrected; the number there is \$224,624. It's the same for '93-94 and then '92-93. Are you not following? Anyway, I can get further clarification afterwards if necessary.

Vote 1.2.6, Internal Audit. I note that there's a reduction there of about \$37,000 from the previous year's comparable estimate. Why would we be reducing internal audits? Why is the minister seeing fit to reduce expenditures under an internal audit from last year's accrual? Is the internal audit system not essential to identify and eliminate waste and duplication within the department?

Going on to the second section, vote 2, I note that there's a major increase in this particular section due mainly to the computerization of the royalty system, and I'll get to that in a second. There's been an increase in the purchase of capital assets.

MR. CHAIRMAN: Can you repeat the vote? The microphone picks up every noise of the paper, so we've missed the vote number.

MR. DALLA-LONGA: Sorry, Mr. Chairman. I'm in vote 2, and I'm now talking about capital assets. There's been an increase in the estimate for purchase of capital assets, and I'd like to know: what is the nature of the capital assets which are being purchased, which account for – I think the figure was about \$383,000 additional expenditure, an increase of about 60 percent. I wonder if they might be due to the implementation of the mineral revenue information system.

Under vote 2.1.1, Administrative Support, can the minister explain the reason for the 90 percent decrease in expenditures? Are people being redeployed? Does this have to do with the

introduction of the mineral revenue collection system? There seems to be a shuffle there between 2.1.1 and the subsequent one.

Vote 2.1.2, there's a shuffle there as well where it's increased substantially from last year.

Vote 2.2.4, Revenue Audit. Can the minister explain why a decrease is occurring in this area? Should we not be making sure that we maximize our revenue returns and are not leaving revenues unaccounted for? I make that comment in view of the fact that industry activity seems to be increasing, and we will in fact probably have more activity in this area. That's 2.2.4, Revenue Audit.

[Mr. Clegg in the Chair]

Okay. Then I go over to vote 2.4. Sorry for the shuffling of the paper; it's unavoidable though. The general category there is Sustainable Energy Development. I note that there's a decrease there. Not much of a decrease overall: it's only a hundred thousand dollars. But taking into account the categories such as Energy Efficiency, Environmental Affairs – and I'll get into them in more detail – just as a general comment to start off with: why are we decreasing in that area? I'll get into some specific comments just to give you an idea of what I'm getting at.

Vote 2.4.2, Energy Efficiency. Expenditures are slated to decrease by 3 percent or \$50,000 from the previous year. We think highly of the department's energy efficiency program and are concerned about a reduction in this area. Vote 2.4.3, Environmental Affairs. Expenditures are slated to decrease by \$50,000 here once again. Given the emergence and the concern that the environment minister has told us every day in question period and the increased prominence of environmental issues in the energy sector over the past five years, is it wise to be reducing expenditures in the area of Environmental Affairs? Maybe you might want to have the hon. environment minister answer that one.

Okay; now the last thing. As I started off by mentioning, there is a large expenditure in there which I'm somewhat aware of. It's here as the Mineral Revenues Information System, or the new royalty reporting system, which is due to come in at about \$5 million. There's \$610,000 worth of equipment purchased there as well. We're concerned that the minister has not been specific as to the nature of the \$5 million expenditure planned in this area and an estimate of the ongoing costs of maintaining what would seem to be a very elaborate system of royalty reporting and collection. So can the minister explain the reports that there may be a delay in having the royalty system up and running by January 1994? Can she give us a report on the bidding process? Would she be so kind as to explain why the natural gas royalty simplification regulations are specifying a 10 percent penalty or court cost payments as part of the audit function? So in general, if I can summarize, I'd just like to know a little bit more about the setup of this system: the reporting, how the bidding process is going. Something that caught my eye was the penalty clause part there.

Under vote 4 can the minister update us on the APMC's involvement in the Sarnia-Montreal pipeline reversal and gas transportation restructuring and just let us know what is happening there? I think that's all I have there.

Vote 6. A report by the ERCB in July 1992 discussed some of the problems and proposed a number of solutions. It's been over one year, and the government has yet to formally respond to the ERCB report. I'm in vote 6, Public Utilities Regulation. I realize that there are ongoing discussions with the industry on this contentious issue. Can the minister provide an update as to the nature of those discussions between Nova and the industry and whether a satisfactory resolution of this issue is at hand? Could

the minister please tell us: what impact will the recent announcement by Nova on corporate restructuring and having regulatory matters determined by the Public Utilities Board have on the concerns raised by the industry in the ERCB report?

8:30

I think, Mr. Chairman, that's all the questions I have on the votes. It was fast and furious, but I think that ends it.

Chairman's Ruling Parliamentary Language

MR. DEPUTY CHAIRMAN: Thank you, hon. member. Before I go on, you used the word "she" a couple of times, and it's certainly unparliamentary. It can be "hon. member" or "hon. minister" but not "she." You mentioned a couple of times that "she" answer the question. So just keep that in mind.

Hon. minister, would you like to answer those questions?

Debate Continued

MRS. BLACK: Thank you, Mr. Chairman. I'm not sure I got all the votes recorded correctly, but if I haven't, I'll review the *Hansard* and certainly will get back to you.

Under vote 6, on the Public Utilities Board, just for clarification, the Energy Resources Conservation Board does not come under this grouping; it comes under Executive Council. The question came up when I think Calgary-West was talking about the review of Nova regulations. Is that correct? He's nodding. That's correct. If hon. members will remember correctly, Mr. Chairman, I believe it was last spring when I put forward a regulation that allowed for a joint hearing process between the Energy Resources Conservation Board and the Public Utilities Board on the regulatory process – both are complaint driven functions – so the opportunity for review has been in place since last spring.

On vote 4, under the Alberta Petroleum Marketing Commission, the hon. member asked about the Alberta Petroleum Marketing Commission's role in Sarnia. I presume it's line 9 he's referring to. As you know, the Alberta Petroleum Marketing Commission is the agent that sells the Crown's oil and has been working with industry in ongoing discussions as it pertains to the line 9 status and where that will lead. So there are ongoing discussions. It's still going on. Nothing has been finalized on that. There is a role there, that the marketing commission has represented our interest. I believe we also had a discussion on that. In the answers I provided tonight, if you would refer to them – they're in the index – you'll see that that question was asked by the Member for Redwater on September 28.

Also, under the new royalty system there won't be delays anticipated in implementing the system. We will be working with industry. Again, if you look at the answers we've provided tonight, you'll see that those questions were in fact answered earlier.

Under vote 2, I wasn't quite sure on the numbers, and I think I got those wrong, quite frankly. I didn't quite get where you were getting your numbers from, but I will review them. In fact, under vote 2.5, the \$5 million does pertain to the new system. I think we talked about that in the answers that were provided to you earlier this evening, so I won't go through those again.

Vote 1.1.1, I believe. I didn't quite get the question, quite frankly. You indicated that you thought the estimates for '92-93 were the same as '93-94. I don't think they are. I think the estimates are different. Mr. Chairman, if I look at the book, I believe the estimates for '92-93 were \$402,320 as opposed to '93-94 of \$382,000.

Again, in 1.2.4, the '92 estimates to actual were in fact different. The estimates for '92-93 and '93-94 were in fact the same – not the actual to the estimate; there was a difference.

Then in 1.2.6, again there was a change between the estimates of '92-93 and the estimates for '93-94. Again a decrease occurred.

I think we're well under way, Mr. Chairman, insofar as our mineral development, as far as our royalty simplification program, but I believe I answered those questions previously on September 28. I will check the *Hansard* to see if there are any more specific votes that were asked about. If we have the numbers wrong, I hope the hon. member would just jot me a note, and I'll make sure you get sufficient answers to those.

MR. DEPUTY CHAIRMAN: Thank you, hon. minister.

The hon. Member for West Yellowhead.

MR. VAN BINSBERGEN: Thank you, Mr. Chairman. I've got a few questions I'd like to ask the minister about, particularly the matter of surface rights access. Surface access to private lands and Crown lands and the process and compensation rates levied to gain that access have been a matter of concern in the energy industry, I think, for a number of years. Particularly at a time when the energy sector is attempting to cut costs and become as efficient as possible in order to adapt to the new realities faced by the industry, there is a concern that the fees . . .

MR. DEPUTY CHAIRMAN: Excuse me, member. The minister seems to be trying to follow the votes. Could you give us what vote number it is so the minister can follow?

MR. VAN BINSBERGEN: I'm just making a general comment on the surface rights.

MR. DEPUTY CHAIRMAN: General comments. Okay; sorry.

MR. VAN BINSBERGEN: I shall speak more clearly, Mr. Chairman.

Chairman's Ruling Decorum

MR. DEPUTY CHAIRMAN: We'll just try and keep the noise level down a little. I think you'd be speaking loud enough if the noise level was down. If you have to talk, talk quietly, please.

Hon. member.

Debate Continued

MR. VAN BINSBERGEN: Recently the Canadian Association of Petroleum Producers, also called CAPP, estimated that the oil and gas industry pays about \$125 million on an annual basis to the landholders and the grazing leaseholders for surface rights access. Now, at the same time it was estimated that farm income in the province was only \$275 million. This was in 1991. So while surface rights rentals have increased by about 200 percent between 1982 and 1991 according to CAPP, the average price of farmland has declined by 17 percent over the same period. There's also a perception that the Surface Rights Board, which acts as an arbitrator in the event of a dispute between the landholder and the lessee, has made compensation awards that do not always reflect economic reality and that these awards guide private dealings.

Now, CAPP released a paper on the issue of surface rights on September 23 which expressed concern about the process of surface rights compensation as it currently exists. CAPP recommended that the government set fair and reasonable standards regarding surface acquisition and rental prices and that they be

incorporated in the Surface Rights Act. They've also called for a review of the Surface Rights Act. On that basis, Mr. Chairman, I have several questions which I would like to pose to the minister.

First, could the minister give us some updates on the discussions which have taken place between the industry and her department regarding this issue of surface rights access?

8:40

Mr. Chairman, I don't know whether the minister would like me to continue with my questions. Yes?

Can the minister report on whether any progress has been made at these meetings, and could the minister at least make a commitment, if there hasn't been any progress, to examine the 10-year-old Surface Rights Act? My next question is: could the minister agree to establish a process to re-examine the intent of the Surface Rights Act in collaboration with her colleague the minister of agriculture? He should be involved, of course. Could the minister comment on some of the other concerns that were raised by CAPP in their recent report?

Essentially, Mr. Chairman, those are my questions. They're all dealing with surface rights access and the need for review of that Act.

Thank you.

MR. DEPUTY CHAIRMAN: Thank you, hon. member.
Hon. minister.

MRS. BLACK: Mr. Chairman, surface access has in fact been a concern of industry and has been one of the topics discussed probably at most events I've attended as to how we would best deal with that.

Last spring, in co-operation with the then minister of agriculture, I asked the cattlemen's association and representatives from CAPP to sit down and try and resolve differences of opinion on what was appropriate today and how we could resolve differences on surface access. It was a very interesting meeting to go through. As a result, Mr. Chairman, a task force was developed between the cattlemen's association and the Canadian Association of Petroleum Producers to look at how compensation could be viewed and where the future lies in resolving those things.

The current minister of agriculture and I have had discussions in a co-operative fashion again to try and resolve this. We work together quite well to recognize, first, that there's a problem, and how do we deal with it? We've asked the two groups to in fact take the lead and come forward with recommendations. As all members can well appreciate, there are old, differing opinions that tend to flare up every so often, but I feel confident that both the agricultural community and the oil industry will be able to come forward with some solid recommendations on how to deal with this.

Insofar as the Surface Rights Act, Mr. Chairman, it does not fall under the Ministry of Energy; it in fact falls under the Minister of Agriculture, Food and Rural Development. I would suggest a recommendation would be better suited to go through that ministry than through the Minister of Energy. Of course, as our new method of management in this government we are open to ideas and suggestions, and if you or any member has some suggestions that could come forward, even from the opposite side of the House, we would welcome those. I know I can speak for our minister of agriculture also. His door is open as well as mine. If you have some suggestions, we would receive them gratefully.

MR. DEPUTY CHAIRMAN: Thank you.
The hon. Member for Edmonton-Strathcona.

MR. ZARIWNY: Thank you, Mr. Chairman. I'd like to make my comments short, Madam Minister. What I'll do is focus not on any one particular vote but on the issue of natural gas. I don't think it would be presumptuous on my part to claim that natural gas is the energy source of tomorrow. I think also that there will be a focus on some very contentious issues in this area that will centre on contract law, the commerce of natural gas, as well as some constitutional matters. I think it's also important that we look at what happened in the past as regards what will happen in the future.

In the pre-1980s the government, as all governments at that time, played a very major role in restricting the freedom of parties to negotiate natural gas contract terms and conditions. The price problem at that time associated with the natural gas contracts dealt with the good itself, that is the commodity of natural gas, as well as the delivery or the transportation problem of natural gas from the wellhead to the burner tip, or the point of use in the market. Deregulation was an attempt to separate, I believe, both these factors, the commodity from the technological aspects of transportation, to allow prices to find their own level in the market.

Government regulation of natural gas transportation was required in the early 1970s in order to deal with the problem of apparent and actual determination of price that occurs in the market environment. The political issue of whether governments should control or influence the ability of contracting parties to freely negotiate the price was definitely a factor at that time. The controversial issue concerning natural gas in light of those two factors, the good and the transportation itself, centred on the control that government exercised over the contract price of natural gas until the 1985 agreement between producing provinces in Canada.

My first question to the minister in this regard is whether or not the minister's department has had an opportunity to examine the objectives of deregulation as enunciated in the 1985 agreement and the manner in which deregulation was implemented in the province of Alberta. I'm assuming that there was a legislative plan developed, and if so, what are its components? Did the government maintain this plan, or has it changed? What factor or factors account for the change, if at all?

The other question I have deals with the entire system of the policy framework and how it has affected the province itself. Now, obviously, since 1985 and 1986 changes have occurred. The objectives and types of natural gas contracts have changed from a regulated natural gas market to a deregulated gas market. Specifically, my question to the minister in this case is: have any major provisions of the natural gas contracts been changed? The reason I ask that question is that just last week Western Gas Marketing Limited signed a major natural gas contract, and it's a long-term contract where they're allowing the prices to fluctuate. Is the minister aware of any major provisions of contract clauses that have changed over the last two years or so?

I'd like to also know if deregulation of gas contracts imposed changes on the provisions that were normally included in these contracts. For example, what new provisions, if any, were introduced into the contract negotiations and which ones were dropped? I think the minister will agree that there was a standard natural gas contract that's encouraged or used. The Western Gas Marketing Limited agreement brings to the forefront another question that I have: how will the determination of natural gas prices be affected in an environment where statutes and regulations and laws do not serve merely to facilitate or guide the fulfillment of contract obligations? One other question I have as well deals with the matter of terms and conditions. We know, for example, that the minister issues gas removal permits. I wonder if the

minister would be prepared to let us know what the standard terms and conditions of these permits are.

8:50

The last area that I'd like to present here in the Assembly is a matter dealing with Nova. In fact, the questions I have in this regard concern this matter: on October 8 Nova announced that it had met with the government of Alberta to discuss plan changes which would enhance the pipeline division and would lead to the repeal of the Nova Act. My questions in this regard are four. Number one, in light of Nova's plan to restructure operations, can the minister report on the status of any discussions which are now taking place between her department, Nova, and industry representatives with respect to developing a consensus regulatory framework for Nova? Number two, in light of some of the concerns expressed in the ERCB report by Alberta producers on Nova's operation, are the discussions with respect to the regulatory framework using ERCB report recommendations as a model? Number three, the ERCB report identified 14 issues that are of concern to Nova customers. Only two of these issues have been dealt with satisfactorily. These are contract relief and peak day supply. What steps is the minister taking to ensure that the other 12 issues identified in the ERCB report are addressed? Five, can the minister indicate the time lines with respect to bringing in legislation to repeal or amend the Nova Act?

Thank you very much, Mr. Chairman.

MR. DEPUTY CHAIRMAN: Hon. minister.

MRS. BLACK: Thank you very much, Mr. Chairman. The Member for Edmonton-Strathcona wanted to talk about natural gas, and he mentioned a few items. I may do these in a reverse order if that's all right, because some of them are interrelated.

In 1985 and '86, after many years of requests from industry, we went through a deregulation process in this province to allow a more market-driven environment for our industry to operate within. This was a request that came out of industry to government to allow them to go to market and to compete in market environments. The government made the decision that a deregulated system would in fact be in the best interests of the industry and in fact of government itself.

Contracts that occur between our industry players, which are the sellers and the buyers, are between sellers and buyers; they're not between the Crown and buyers at the other end. We are in fact in a deregulated system, so we do not enter into those negotiations or intervene in the commercial arrangements between buyers and sellers. That has been the case for a number of years, and I think it's advantageous to move to a market-driven environment, where you have an open market system that allows for industry to do what it does best, and that is to compete one against the other to capture as much of the marketplace as possible. So I guess I would have to say that it is not the role of government to get involved in the marketplace and interfere or intervene, because that would distort the market environment.

The hon. member mentioned constitutional matters. Let's be very clear. The Constitution of Canada, under sections 91 and 92, gives the care, custody, and control of the natural resources through the development and management to the provinces. That has not changed. Let's be very clear on that. The natural resources belong to the provinces, and any thought that that would be modified would not be appropriate or acceptable to the province of Alberta. I worry sometimes when I hear constitutional matters being discussed by the members opposite in this Legislature,

particularly the day after a federal election. So I hope there's no connection there, Mr. Chairman.

The pricing of natural gas again, Mr. Chairman, is in fact market driven. We've seen natural gas prices on an increase this last year, which is beneficial to our industry and helpful, of course, to the province. We went through a very long period of time where we had depressed prices, which were caused by a variety of reasons. Some were the overabundance of supply on the system and interest rates, et cetera. We've seen those supply/demand balances brought in line, and through that and the firming up of prices we've been able to see a positive turn in our industry.

Gas removal permits are reviewed by the Energy Resources Conservation Board prior to coming forward for signature, and there are requirements that are filed with the Energy Resources Conservation Board. They're the regulatory body that deals with these issues, and they then forward them through to the minister's office.

The member also talked about Nova, and he is in fact correct that Nova did come to visit me to talk to me about a corporate restructuring program, and I know that they went and talked to the Liberal opposition as well about their plans for corporate restructuring. It would be a corporate plan. It's not a government plan. It in fact involves some particulars that I don't know that I'm privy to discuss on the floor of this Legislature. I was not given the go-ahead, quite frankly, to discuss a corporate restructuring. I would think that would be up to Nova to make those discussions public, Mr. Chairman. So I would think that any discussions along that line I would prefer to leave to the company itself. I will say that it's an interesting proposal and we'll have to see.

MR. DEPUTY CHAIRMAN: Thank you, hon. minister.

The hon. Member for Redwater.

MR. N. TAYLOR: Thank you, Mr. Chairman. Let me just see what I have here for the hon. minister. The first was in vote 1. I was a little puzzled. She mentioned her office budget. The question is on the minister's budget slated to decline by 5 percent, from \$402,000 to \$382,000. However, last year the actual expenditures were \$73,000, or 18 percent, over the estimate. Now, I just wonder if the minister could tell me why the House should believe her that her office budget will come in at \$382,000 this year being that we missed so badly last year. After all, she was the minister for the last three months of last year. I'm not trying to say that the minister is the reason we went \$73,000 into the hole, but for some reason or another we went way over.

Let's go to vote 2. What is the nature of the capital assets which are being purchased for this additional \$383,000 in expenditure? It's the largest component under the department at nearly 48 percent. The major increase in vote 2 over the previous year is due to the purchase of equipment to further the royalty simplification initiative, and that cost \$383,000 more. That sounds like a pretty expensive machine. I was wondering if you were buying the computers from the University hospital or what. [interjection] You're not supposed to laugh. This is a serious matter here. Are the little gremlins up there listening? Good.

9:00

Vote 2.2.2, Gas and Petroleum Royalty Incentive Operations. Last year the actual expenditure in this area was nearly \$1 million over budget. Now, can the minister explain the expenditure overruns of \$1 million in the previous year? What assurances do we have that we won't have a similar overrun this year? In other words, we went one million simoleons over what we had budgeted for last year. How do we know if you're any more accurate this

year? You maybe had the same gremlins grinding out the numbers as Mr. Orman had the previous time.

The other issue has to do with vote 4. I was wondering if the minister could update us on the Alberta Petroleum Marketing Commission's involvement in the Sarnia-Montreal pipeline. I have a bit of a problem there. The minister was kind enough to send me an answer to my question on that last time, I think when I asked on September 28. It was real bureaucratic gobbledygook. You couldn't figure out anything. It says:

The additional market outlet benefits the entire industry.

Of course I know it benefits industry. I hope to hell you're not doing things that don't benefit the industry.

Consequently, industry has agreed to share extra costs incurred by the APMC for sale to Montreal compared to selling in traditional markets.

What is the cost? That's what I've asked before. I've got all this rhetoric. You can tell your gremlins they don't need to sell me on the idea. I just want to know how much it costs. Then it goes on to say:

The cost is being shared through the Sarnia-Montreal royalty add-on.

I've never heard of an add-on; now, if you could explain it. What I'm after is costs. They don't have to tell me where Montreal is or where Sarnia is and how many barrels of oil they're putting through, what wonderful things are going on. I just want to know the cost. How much is it costing us per day to put 20,000 to 30,000 barrels of crude into Montreal that we wouldn't pay if the crude had been bought in Toronto instead?

The other area, Madam Minister, is in vote 6, Public Utilities Regulation. Wait a minute. Sorry; I'm moving too fast for even myself here. I've got another one.

Also in the answer that the minister was kind enough to send me, on page 17, the bottom paragraph says:

The generation end of the industry is looking more like a competitive industry characterized by many potential sellers. The initiatives mentioned here are aimed at creating a "level playing field" so a variety of suppliers have fair opportunity for the right to compete for new markets inside and outside of Alberta.

That's really not the question I asked on September 28. I wanted to know whether the minister had any policies to develop clean power versus small power. You see, not all small power is clean. We have a small power policy in Alberta, but that treats a person that makes power out of wood burning or wood chips or manure or sun or wind all in the same basket, whereas sun and wind is clean power. It has no environmental cost that I know of, except maybe having to look at them sticking up out of the hillside. I would like to know if the minister is thinking of any policy or if there is any program for clean power as distinguished from small power. I'll give you time to answer that anyhow. In their answer they didn't cover the whole thing.

MRS. BLACK: How is that in vote 6?

MR. N. TAYLOR: Oh, I'm sorry; I jumped backwards. I'm coming to vote 6. That's my fault. I went to vote 6 and then realized that I had not finished your response to my questions of September 28; I had one more. I'm sorry about that. I didn't think my question was answered sufficiently on September 28. I wanted to know about clean power versus small power.

Now we go to vote 6. I knew if you were patient with me, we'd get there. We'll arrive together. I wonder if the minister could provide an update as to the nature of the discussions between Nova and the industry as to whether a satisfactory resolution of the issue of costs is at hand. What will be the impact from the recent announcement by Nova on corporate restructuring? Nova is restructuring their corporation. Although the news releases were that they were going to be able to sell

more shares, being naturally from Missouri, I was suspicious that the restructuring might be done in such a way as to try to minimize the effect on their profits on transporting gas or, I guess, to put it another way, to try to make it easier to argue to get the higher costs of operation than they would have if they weren't restructured. In other words, regulatory matters are determined by the PUB or are going to be determined by the PUB, and I was wondering if the minister had any idea how this restructuring of gas charges is going, because it's been going on for quite awhile. As a matter of fact, the ERCB in July 1992 recommended that you review Nova's rates, and we're still at it. I was just wondering when we can expect an answer, firstly, and secondly, whether the corporate splitting of Nova is going to affect the charges we gas producers will have to pay.

The next was with regard to the OSLO group. I think I mentioned it on September 28, but I can't see an answer. I was just wondering if the minister was aware or had done any – I can't think of the word, when you make a presentation to somebody. Now, we have a new Minister of Energy coming up. I would like to suggest that the minister beard the new – it could be a female, too, I'm sorry – corner the new Minister of Energy on the national scene and see whether or not they will allow the write-off of expenses in building any new tar sand facility as expenses are incurred. You see, right now you can't. If you expend so much money in putting together a synthetic oil deal, federal income tax will not allow you to write the costs off against other income until your production starts up. So that means you might have to wait four years before you can deduct the cost. This is more of a recommendation than a question, and I'd only be too glad to accompany the minister down to Ottawa to explore the dark, dirty dungeons of the bureaucratic mess down there together. Seeing that it's the Liberals now, I might be able to do that. That's the closest thing to a proposal she's going to get this evening. It will do more to enhance my reputation than hers, I assure you, Mr. Chairman.

The last, Mr. Chairman, has to do with Smoky River Coal. It's indeed a murky-looking set of financing there. It looks like we have a \$19 million guarantee out plus \$4.3 million in preferred shares. Well, anybody knows that preferred shares are what you sell a sucker. Instead of giving him a loan or giving collateral or anything else, you give him a preferred share and tell him how rich he's going to be down the road. So really a \$4.3 million preferred share issue, especially when there's no market, is nothing more than a loan. We also gave them \$3 million in research. So you add all that up and we've got \$26 million in Smoky River Coal. Now, I know it's in the hon. member's riding. Oh, he's disappeared has he? One of the Liberal ridings. Maybe I shouldn't be questioning this too closely, but this looks like a lot of money that is going down the same coal mine, and I know coal markets aren't that good. So I was wondering if the minister could shed a ray of light or optimism or something on the future of Smoky River Coal – just how she feels, maybe just an update as to the financial status of the coal company, the latest annual report. I believe it's a private company. I don't believe the stuff is up for access.

9:10

Also, while we're at it, western economic diversification in June 1989 – this is back when you were just a tad in political circles here, Madam Minister – the Alberta government and the federal government went together and gave Smoky River Coal the right to develop some new technology for mining underground coal seams and to transport the coal to the surface on flexible conveyors. Less chance of getting blown up that way, I guess.

This was a 2 and a half million dollar investment in a conveyor belt, which I understand turned out to be not very good indeed. I'm an old mining engineer. I gather that you tried to sell it back to the German manufacturers, and they weren't that interested in taking it back because they'd already got 2 and a half million dollars. So I was wondering whether the minister could have her gremlins and assistants write something to me as to what happened to that coal belt. Was the project successful transporting coal from deep in the earth to the surface by conveyor belt?

The last question I had to ask the minister was a very short, quick one. How is the minister involved in the new diamond permits? As you know, most of Alberta is now under lease to diamonds. They seem to think indirectly that they can find pipes down 4,000 or 5,000 feet underground. I know that God put the diamonds in the ground, but with a little luck he won't choose to reveal them until the Liberals get in. Nevertheless, I would want to know the minister's involvement in the regulation, the rules, of diamond mining.

Thanks.

MR. DEPUTY CHAIRMAN: Thank you, hon. member. I imagine that the diamonds will stay there a long time.

MRS. BLACK: I hope not.

Mr. Chairman, there is tremendous interest in diamonds, as the hon. member on the opposite side has indicated. We're very impressed with seeing diamonds developed. There was a find up in the Northwest Territories. The test results have been very positive, from what we've seen and heard. There is quite a bit of interest in the geoscience in Alberta. It looks as though there's some consideration that the vein falls all the way down through Alberta. As a result, there has been quite a bit of interest in mineral development for actually mining for diamonds in the province of Alberta. So there is another opportunity to look at development in our natural resources area. I can't give you the potentials, but they seem to be quite exciting and promising. I'm just going from the reports that I've been able to read from the different groups that have been interested. It is in fact a reality that there is interest from the international market as well.

MR. N. TAYLOR: It's part of your department?

MRS. BLACK: Yes, it is, and as I say, there has been quite a bit of interest in looking at actual leases and areas for potential exploratory work in those areas.

Mr. Chairman, the hon. member asked me about the small power program, which we did in fact try to deal with. There isn't a separate clean power project from the small power project. We have a program that's called renewable energy that looks at different vehicles for energy development, whether it be through wind or solar or water or through wood chips, et cetera. There are different vehicles under the small power program that have been not only environmentally friendly but have been a source of renewable energy. The program has been quite successful. We did answer some of the questions on September 28. We don't have a separate program for clean power. However, it works into the overall program of looking at new ways of developing energy, new sources of energy. Certainly all of our energy programs are working in an environmentally friendly fashion today. So I think that's all part of it.

I was interested to hear the hon. member's perspective on OSLO. Possibly with his acquaintances that will be in Ottawa – and I might take him up on traveling to Ottawa – the federal government, Mr. Chairman, may in fact be interested in fulfilling an obligation in western Canada for development in OSLO.

MR. N. TAYLOR: We don't need any chaperons.

MRS. BLACK: Now, don't start bragging.

Some have indicated that the development in our oil sands and heavy oil projects are in fact the future, and I believe they are. There are opportunities that exist there; we haven't even thought of how extensive they may be. It's immeasurable at this point, but if there was a jewel in Alberta, it is in fact our oil sands projects and the potential for the future, Mr. Chairman, that rests right there. I will say that there are approximately 300 billion barrels of the most beautiful crude sitting in the ground there waiting to be extracted and sent to a commercial development. So any assistance that the hon. member would like to lend to try and encourage his federal counterparts to come and participate would be gratefully received.

The hon. member asked questions with regard to the financing on Smoky River Coal. Those would be better suited to go through Economic Development and Tourism and the Provincial Treasurer.

Let me think. What else did we have? I believe in vote 2 the hon. member talked about the mineral revenue budget. Certainly we're going through a phase of redoing our programs, Mr. Chairman, to simplify the process, to try and eliminate and streamline any overlap or duplication of filings that come forward from industry and then subsequently end up within the department to be handled. The process is very lengthy because we're trying to cut back on the administrative burden that faces not only the industry but the government. We're at the initial stages of implementation of those changes, and it will take the better part of the next few months to put them in place. I'm anxious to see the results at the end of the day, where we can have a cutback in the administrative costs that are associated with processing the paperwork in government and streamlining the system. It's a commitment we've made, and we're anxious to see it occur.

If there are any other questions of the hon. member's that I haven't answered, I would be prepared to review *Hansard* and get back to him. I would appreciate, again, any input he has that he would like to send over to my office or to me. My door is open, and I value his many years of expertise and knowledge in the energy field. I've always been receptive to receiving comments from him. I appreciate that.

MR. DEPUTY CHAIRMAN: Thank you.

The hon. Member for Bonnyville.

9:20

MR. VASSEUR: I won't take too, too long. When we start talking about energy, for some reason it's the city of Calgary that always comes to mind. I'm glad that my colleague from Fort McMurray was here a couple of weeks ago and made the House aware that there is a lot of oil development in his neck of the woods. There is also an awful lot of development in the oil sector in our constituency, which is Bonnyville. We have the Esso Resources development there that produces close to 12 percent of all the oil produced in Canada. We also have a lot of development from Koch and Amoco, a considerable amount of natural gas development in our area. So I'm just making sure that the department knows that when we're considering the resolution on EEMA, they take into consideration that we contribute greatly through the royalty system from northern Alberta.

I would like to ask the minister a few questions, though, on some of the developments in our area, basically the Esso developments and the Amoco development that happen to be in the ID. I'm wondering how much revenue in property taxes that brings to the improvement district coffers, which is basically the provincial

government. Depending on the answer on the amount of revenue, there may be a request for an application for annexation of all the area between the ID and the Primrose range, because unfortunately most of the industrial development in that neck of the woods is in the improvement district, and really there is very, very little industrial tax base to the local municipalities. So that's why I'm asking the question. It would be very, very beneficial for us to improve our tax base in that local area.

AN HON. MEMBER: It has nothing to do with us.

MR. VASSEUR: Sure it does.

The only other question I have, and one of the colleagues here had brought it up before, is on the PGT pipeline to California in regards to the distribution of the gas to that marketplace. We know that there were a lot of demands on that line in the last years, and that particular company has - I'm assuming this, but I think they are going to add on to their capacity on that particular line in the very near future or have done so already. Just a few questions here. I'm just wondering: how much volume will this line add to the Alberta natural gas export as far as the volume is concerned, the capacity?

[Mr. Tannas in the Chair]

The second question is: has the government conducted any studies as to how much in additional revenue it will receive when the PGT comes on line? I understand that this addition to the line will be on stream very shortly. Will there be an impact on this year's royalty projection for natural gas? Another question on that particular line: what is the government's position as to permitting a future increase in Alberta natural gas export capacity to California? Should the other line - there's a proposal for another line to go in, and that's sort of been in limbo in the last year or so because, I think, it would have an adverse effect on the price that we're getting in Alberta. I think the government has taken a position to delay that second project.

I have no further questions.

MR. CHAIRMAN: The hon. Minister of Energy.

MRS. BLACK: Thank you, Mr. Chairman. The Member for Bonnyville talked about development up in his riding, basically in the Cold Lake area with Esso and Amoco. He's quite right; this is a very important development that has occurred. Expansions have in fact taken place in the heavy oil projects up there that have been fundamentally responsible for a lot of economic boost in this province. They've been very good projects in the Bonnyville constituency.

He kind of threw a little twist in there about EEMA, the Electric Energy Marketing Agency, to talk about a resolution coming forward. I'm sure all hon. members realize that as late as last week I again talked to industry stakeholder groups. In fact, it sounds like we're forever working on a resolution, but this is such a fundamental situation that affects every Albertan in this province that it's better to take our time and do structuring correctly than to not do that.

I'm not too sure where this would go, but he talked about property taxes to an ID. The Department of Energy doesn't collect property taxes on behalf of an ID, so I can't give you a revenue number for that. I don't have that information. It has nothing to do with the Department of Energy. I would suggest

that that would be better asked of the ID, to phone and ask for that information.

He also asked a question, Mr. Chairman, with regard to the pipeline expansion on PGT. In fact, that is ready to go. Construction has been completed. It's a major project. There was a capacity for a bcf a day of gas to go in that pipe, which is a fundamental advantage for our gas producers in this province. The pipe will take time to fill to maximum capacity, of course. Hopefully, if prices continue on the upside and if market demands are there, which is an anticipation, in fact there would be a positive effect on the revenue-based royalty income stream to the province. Because we're in a market-driven environment where there are again structures between sellers and buyers in a market system in a deregulated environment, we're always hopeful that all those factors are on the positive and that that results in added resource revenues for not only our producers but in fact for the province, for all Albertans.

The hon. member talked about the government's position on a second line - I believe it was called Altamont - which would go from Alberta down the other way, connect to Kern River, and go into California. The government doesn't enter into that scenario. It again goes through a commercial negotiation between producers and suppliers. If in fact all of that comes together, the government doesn't interfere in development in that scenario. It becomes a commercial negotiation that takes place, again between willing buyers and willing sellers in an open market system. So please don't think that the government interfered in the progress on that line. That is commercial. When and if that line will proceed will depend upon the commercial bodies. Our role is to look at the regulatory side of things only but not to enter into commercial restructuring, commercial negotiation on future development. We're always encouraged to see new market identification take place to provide opportunities for our producers and have encouraged market development and the pursuit of new markets to allow for added growth and development within the province, but it's not the government's role to interfere in those restructurings and those negotiations between commercial players.

MR. CHAIRMAN: Are you ready for the vote?

Hon. Member for Calgary-West.

9:30

MR. DALLA-LONGA: Thank you, Mr. Chairman. We seem to have gone a little bit quicker than we'd anticipated. I really can't find any other questions that we'd like to ask. I'd like to get a commitment from the minister as to when we could get the responses to our questions. Other than that and other than it being a great day to be a Liberal, we have no further questions.

Thank you.

MR. CHAIRMAN: Are you ready for the vote?

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: We are considering, then, the estimates of the Department of Energy.

Agreed to:

| | |
|---|--------------|
| Program 1 - Departmental Support Services | |
| Total Operating Expenditure | \$12,393,071 |
| Total Capital Investment | \$133,428 |
| Program 2 - Minerals Management | |
| Total Operating Expenditure | \$35,143,086 |
| Total Capital Investment | \$1,018,914 |

| | | |
|---|--------------|---|
| Program 3 – Oil Sands Research Assistance | | MR. EVANS: Thank you, Mr. Chairman. I now move that the committee rise and report. |
| Total Operating Expenditure | \$15,800,000 | |
| Total Capital Investment | - | [Motion carried] |
| Program 4 – Petroleum Marketing and Market Research | | |
| Total Operating Expenditure | \$7,045,000 | [Mr. Clegg in the Chair] |
| Total Capital Investment | - | |
| Program 5 – Oil Sands Equity Management | | MR. TANNAS: Mr. Speaker, the Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again. |
| Total Operating Expenditure | \$2,610,000 | Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 1994, for the department and purposes indicated. |
| Total Capital Investment | - | For the Department of Energy: Operating Expenditures of \$73,976,157; Capital Investments, \$1,152,342; for a total of \$75,128,499. |
| Program 6 – Public Utilities Regulation | | Mr. Speaker, I wish to table copies of a document tabled by the Minister of Energy on this date for the official records of the Assembly. |
| Total Operating Expenditure | \$985,000 | |
| Total Capital Investment | - | MR. ACTING DEPUTY SPEAKER: Thank you, hon. member. All in favour of the report? |
| Summary | | |
| Total Operating Expenditure | \$73,976,157 | HON. MEMBERS: Agreed. |
| Total Capital Investment | \$1,152,342 | MR. ACTING DEPUTY SPEAKER: Opposed, if any? Carried. |
| Department Total | \$75,128,499 | [At 9:37 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.] |
| MRS. BLACK: Mr. Chairman, I move that the vote be reported. | | |
| [Motion carried] | | |
| MR. CHAIRMAN: Hon. Deputy Government House Leader. | | |