

Legislative Assembly of Alberta

Title: **Wednesday, March 26, 2003**

1:30 p.m.

Date: 2003/03/26

[The Speaker in the chair]

head: **Prayers**

The Speaker: Good afternoon.

Let us pray. As Canadians and as Albertans we give thanks for the precious gifts of freedom and peace which we enjoy. As Members of this Legislative Assembly we rededicate ourselves to the valued traditions of parliamentary democracy as a means of serving our province and our country. Amen.

Please be seated.

head: **Introduction of Guests**

The Speaker: The hon. Minister of Municipal Affairs.

Mr. Boutilier: Well, thank you very much, Mr. Speaker. It's indeed my pleasure today to introduce two members from the constituency of Fort McMurray, and they are the president of the chamber of commerce in Fort McMurray, Bob Gazzard, as well as one of the directors, Carol Yayechnick. I want to say that Carol and Bob are truly people that represent and exemplify the spirit of our city slogan: we have the energy; nous avons l'énergie. I'd like to ask them both to rise today and receive the very warm welcome of the Alberta Legislature.

The Speaker: The hon. Minister of Community Development.

Mr. Zwodzesky: Thank you very much, Mr. Speaker. It's indeed a pleasure to rise and introduce to you and through you to all members of the Assembly here some very bright and energetic young students from Blessed Kateri elementary school in my area. They are accompanied by their teachers Mrs. Mhairi Miskew and Ms Cathy Kahanyshyn and parent group helpers Elizabeth Suwala, Nancy Coco, Yolanda Creswell, Elaine More, and Mrs. Connie Kahanyshyn. I would ask all of our special guests from Blessed Kateri to please rise and receive the thunderous applause of this Assembly.

The Speaker: The hon. Minister of Economic Development.

Mr. Norris: Thank you very much. I rise on this glorious Alberta day to introduce to you a very rare Albertan. It's not often that we have a world cup champion and a gold medalist, but today we have them in the same person, and I'm referring, of course, to my brother-in-law Pierre Lueders. Pierre, of course, was the gold medalist at Nagano in the two-man bobsled. His accomplishments in representing Canada in the Olympics and at world championships are too numerous to register, but I would like to point out that there are 19 gold medals, 12 silver medals, 17 bronze medals, three world championships, and one Olympic gold medal in his repertoire. Of course, Mr. Speaker, you can appreciate that with my athletic ability I've counseled Pierre on all matters of bobsledding including the use of spandex outfits. It worked out much better on him than it did on me.

I would also like to take this opportunity to introduce to you and through you to the House a very special lady. Of course, Mr. Speaker, they say that behind every successful politician is a very surprised wife, none more than mine. I think I would say on behalf

of all members of the Assembly that our spouses allow us to do this, and I would like to publicly thank and introduce my beautiful wife, Veronica, and her brother Pierre Lueders.

The Speaker: The hon. Member for Little Bow.

Mr. McFarland: Thank you, Mr. Speaker. It's a pleasure for me to introduce to you and through you someone who when I looked up in the gallery I didn't expect to see, Mr. Chris Schonbrun from Lethbridge, Alberta. Chris is the manager of the Lethbridge Housing Authority. He grew up around Iron Springs and Picture Butte. His wife, April, is an RN at Lethbridge regional, and he's been a good friend for quite a while. Welcome, Chris, and please receive the warm welcome.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to all members of the Assembly Mr. Steven Brodie. Steven is a key communicator for the McNally school council, where his daughter attends school, and in addition he is the chair of the Holyrood school council, where his son attends school. Steven is a passionate public school advocate, and I will be tabling his submission to the Commission on Learning later this afternoon. I ask you all to join me in welcoming Steven Brodie.

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. It's my pleasure to rise and introduce to you and through you to all members of the Assembly once again a parent from Windsor Park school who is observing the proceedings here regularly on behalf of a whole set of parents and of parent education advocacy groups. She's in the members' gallery. Her name is Melanie Shapiro, and I ask you to give her a warm welcome.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you very much, Mr. Speaker. I've got two introductions today. I'm pleased to introduce to you and through you to members of the Assembly 25 grade 6 students, bright boys and girls from Our Lady of Mount Carmel school, which is located in my constituency. They're accompanied by Mrs. Nicole Cunningham and two student teachers, Dean Carter and Jodi Walker. All of them are seated in the southeast corner of the public gallery. I would now request them to please rise and receive the warm welcome of the Assembly.

Mr. Speaker, it's my pleasure to introduce the second set of visitors, who are parents from Strathcona Nursery School, located at King Edward school. They are very concerned about the drastic rent increase for their nursery school that they see as a direct result of the provincial government's underfunding of education. They are Shauna Bevan-Stewart, Jill Cerezke, Kirsten Goa, David Goa, Talia Goa, Theodore Goa, Neil Robinson, Lisa Puchyr, Nikki McGill, Krista Wintoniak, Sandy Marcynuk, Susan Hagen, Shawn Robinson, Madeleine Ani. I suspect that they may be sitting on both sides of the House. I will ask them to please rise and receive the warm welcome of the Assembly.

head: **Oral Question Period**

The Speaker: First Official Opposition main question. The hon. Member for Edmonton-Centre.

Lobbyist Registry

Ms Blakeman: Thank you, Mr. Speaker. Since 1996 when the Official Opposition introduced Bill 223, we've been asking the government to implement a list of those persons and organizations who lobby the government. Albertans continually get the same response as was given by the Minister of Government Services in November 2001 when he said that such registries are strictly public relations exercises. However, this week Albertans have learned of the lobbying by big tobacco against efforts to clamp down on smoking and Tory country club soirees paid for by corporations and special-interest groups. My questions are to the Premier. Will this government commit to adopting the Alberta Liberal plan for a transparent list of people and organizations who lobby the government?

Mr. Klein: Well, first of all, Mr. Speaker, I would like the hon. member to stand up in this House, be honest, and mention and say out loud for all to hear about this great lobbying effort, this country club soiree, as she talks about: the dates, the times, who was there. Give us the evidence. Don't come out with this vicious, malicious, false innuendo.

Mr. Speaker, relative to tobacco industry ties, I didn't read the story, but I was asked yesterday by the media if I had been lobbied by Rod Love, who, as you all know, used to be my chief of staff, and Hal Danchilla, who used to work for the government as an executive assistant, now working as private consultants. I can say with all honesty that I have never been lobbied by Rod Love, Hal Danchilla, or anyone else representing tobacco companies. Never, never, never. For this hon. member to stand up and imply, to make the implication, the insinuation that we're subjected to lobbying by these people is shameful, and she ought to apologize.

1:40

The Speaker: The hon. member.

Ms Blakeman: Thank you. Given that this government's Tory cousins under Brian Mulroney established a lobbyist list, what is this government afraid of?

Mr. Klein: Mr. Speaker, we don't need a lobbyist list. We don't need a lobbyist list. We don't care who approaches the Liberals. They have their groups of people, like the Parkland Institute, this new Riverview school foundation. They're in the business of lobbying and pressing those Liberal members to bring forward matters that concern them as constituents, and that's fair. That's fair. That's what should be done.

There was also a story in the newspaper, I understand, about MLAs attending receptions. Well, I would remind the members of the Liberal Party that they are invited to many of these receptions as well. And you know what? I've never seen them refuse a free lunch or a free reception, you know. But I can tell you that these receptions – I'll go back to last week. There was one sponsored by the Canadian Diabetes foundation, a nonprofit organization. At the same time there was one sponsored by Bell Telephone. Mr. Speaker, this evening, I understand, there's a reception sponsored by the Chambers of Commerce. Nothing wrong with that. I meet in my office with numerous people relative to numerous issues, from nonprofit organizations to corporate interests to charitable organizations to groups that want legislative changes, and they also meet with these people. So to stand up and be as – I can't use the word "hypocritical" – sanctimonious as they are is, to say the least, dishonest.

Ms Blakeman: Given that it is a requirement that donors to political parties are listed in public documents, why aren't paid lobbyists made public through a lobbyist list?

Mr. Klein: Paid lobbyists? We don't have paid lobbyists. This is not the United States, where lobbyists register. We have numerous consultants who represent various companies and nonprofit organizations and other organizations. Plus, some organizations like the Canadian Association of Petroleum Producers, the Pembina Institute, the Parkland Institute have their own people in-house who approach government, well, pretty much all the time on numerous issues. Mr. Speaker, there is nothing wrong with it. There is nothing wrong with it. If she's talking about and alluding to the people who might want to host a reception, what they do is they register. Fine. Then they hold the reception anyway. So big deal. What's the big deal about it?

Access to Government

Ms Blakeman: In 1997 the then MP for Edmonton Southwest, now the Member for Edmonton-Rutherford, was quoted as saying: a few years ago many people thought the government of Alberta was run from the 19th hole of the Mayfair club. He also argued for a lobbyist registry and stated: for every yin there is a yang. My first question is to the Minister of Learning. Do parent groups requesting more funding from this government have to buy access by holding feasts at country clubs?

Dr. Oberg: Mr. Speaker, that's quite a revolting question and really doesn't deserve an answer, but I will say that tomorrow afternoon I'm actually meeting with 10 different parent councils.

The Speaker: The hon. member.

Ms Blakeman: Thank you. My next question is to the Minister of Human Resources and Employment. Will AISH recipients be more successful at getting a cost-of-living increase by holding soirees at country clubs? [interjections]

The Speaker: The hon. minister has the floor.

Mr. Dunford: I don't think that would be the way for AISH stakeholders to go about it. I think the more proper way is something that happened just recently. Mr. Speaker, you might be interested in this, as hon. members might be interested as well. I was asked to attend – I think they had coffee, but I don't drink coffee, so I'm not sure what else was there besides water. I was invited to go over to the Inn on 7th, which is a local establishment here in the city. Actually, I used to live there. I thought it was kind of country clubbish until, of course, the television cameras went in and looked at the room I had. Then that took care of any country club attitude there.

There is a group that is informally put together called the Alberta Disabilities Forum. They asked me if as minister I would go over and talk about the current status of AISH and what we saw in the future. I was glad to go over there and meet with them and say: look; I'm very concerned – I'm very concerned – about the sustainability of AISH.

An Hon. Member: They want them to register.

Mr. Dunford: Well, you know, I think that's what they do. If I'm hearing the hon. member correctly, they would want all of these

people that have worked their hearts out for the people that they represent – they're some of the nicest groups of people that I've ever met with. They were sincere about their issue. They poured their heart out to me, Mr. Speaker, about how they felt about this particular situation. I was very glad to go and meet with them, and I would meet with them again if they gave me the opportunity. As a matter of fact, I've indicated to them that after we have the budget on April 8, they're going to be one of the first groups that I go back to.

So I think that if you make a representation to a minister or a group of ministers in Alberta, we're going to respond. We're open, we're transparent, we care about these issues, and we're going to meet with these people.

The Speaker: The hon. the Premier to supplement.

Mr. Klein: To supplement, Mr. Speaker. I find this line of questioning outrageous, inappropriate, improper to say the least.

Mr. Speaker, the hon. Minister of Human Resources and Employment talked about meeting with a group concerned about AISH payments. I can tell you that every MLA in this caucus, every minister in this caucus meets with people in the back of fire halls, at curling rinks, yes, at country golf courses, and occasionally at the Mayfair Golf & Country Club, as do the Liberals – I've seen the Liberals golf there from time to time; you can't tell me they don't socialize at the 19th hole – at cattle sales, you name it. Our MLAs are there listening to people and taking under serious consideration their concerns. In other words, they don't become so compelled and so obsessed with the dome; they get out and they talk to constituents in a number of environments. That's why we have 74 and they only have seven.

Ms Blakeman: Well, again to the Premier. Low-income seniors haven't wined and dined this government. Is that why they have seen much-needed programs cut back over the last decade?

Mr. Klein: Mr. Speaker, again, this line of questioning is malicious, it's false, it's misleading, it's improper, and it's insulting to seniors' groups. Any seniors' group who wants to meet can meet with either me or the hon. Minister of Seniors or any other MLA or any other minister. To imply that these seniors or any other group has to hold a lavish dinner at a country club is so ridiculous, so wrong, so false, so misleading that this hon. member should have the courtesy to stand up and apologize. She should stand up and apologize, but I don't expect that she will.

1:50

The Speaker: Third Official Opposition main question. The hon. Member for Edmonton-Gold Bar.

Energy Deregulation

Mr. MacDonald: Thank you, Mr. Speaker. Every month, as a result of energy deregulation, the Progressive Conservative government continues to dip their hand into the pockets and into the purses of Alberta consumers because of the expensive deregulation policies that have led to the energy scandals. Now, I would like to publicly lobby on behalf of Albertans for affordable energy costs. My first question is to the Premier. Given that the Premier promised that when the temperature goes up this spring, natural gas prices would go down, why are Albertans still faced with natural gas prices for the month of April that average \$8.75 a gigajoule?

Mr. Klein: Mr. Speaker, it's a simple matter of economics. March's bill is usually recorded in April. That's the way it is. You know, when I pay my cable, when I pay my electricity, I pay what I consumed last month in the next month. And I didn't say that when the temperature goes down, the prices go up.

An Hon. Member: That's because it's obvious.

Mr. Klein: No. I said that when the temperature goes up, consumption comes down. What I did say is that when the temperature is up, the Liberal rhetoric is down, and when the temperature is down, the Liberal rhetoric is up.

Mr. MacDonald: Again, Mr. Speaker, to the Premier: why, given that utility bill add-ons were supposed to be a temporary part of deregulation, do Albertans have to pay now nearly \$30 million worth of add-ons on their April natural gas bills? Explain that.

Mr. Klein: Yes, I can explain it, and I'll have the hon. Minister of Energy give a more detailed explanation, Mr. Speaker. I know that the hon. Member for Edmonton-Highlands knows this because not only was he on city council, he was a member of the EPCOR board. He knows full well that billing processes in a regulated environment and in a deregulated environment, in any environment – those billing charges, all of the add-ons were included in the overall price, and people were not given a breakdown. People simply were not given a breakdown, and that was probably company policy. If it wasn't, perhaps the hon. member can stand up and explain the situation as it was when he was on the board.

Mr. Speaker, I'll have the hon. minister supplement.

The Speaker: The hon. minister.

Mr. Smith: Thank you, Mr. Speaker. It's very difficult to explain in cold, logical terms because of the absolute confusion and mix-up between gas and electricity that the Member for Edmonton-Gold Bar has put forward, the absolute confusion and misinformation campaign from the Member for Edmonton-Highlands. In fact, the confusion that these two members generate is going to cost the taxpayers money because we're going to have to undertake a consumer education program that clearly outlines the choices Albertans have and not to be misled by misinformation, ramblings in the media, and totally inaccurate statements about what deregulation is all about.

The Speaker: The hon. member.

Mr. MacDonald: Thank you, Mr. Speaker. Again to the Premier: given that the confusion and frustration by consumers is caused by the failure of electricity and natural gas energy deregulation, will the Premier now admit that the Progressive Conservative's energy deregulation boondoggle translates into high home heating costs year-round for Alberta consumers?

Mr. Klein: Mr. Speaker, first of all, the only confusion that has been created has been created by the Liberals through their campaign of misinformation.

Relative to natural gas prices it stands to reason – and any elementary school student, any grade 2, 3, 4 student can understand – that when the price of a commodity goes up, you pay more, whether it's sugar or coffee or flour or potatoes or gas or electricity or wheat or barley. When the price of a commodity goes up, you pay more. And the price of gas is up.

The Speaker: The hon. leader of the third party.

Calgary Board of Education

Dr. Pannu: Thank you, Mr. Speaker. School superintendents serve two masters, their elected school boards and the Minister of Learning, and this minister keeps superintendents on a very, very short leash. A letter that can only be described as government propaganda is being sent to parents next month in school newsletters by the superintendent of the Calgary board of education. The superintendent's letter all but tells parents to zip it and stop criticizing the Tory government's education funding policies. My questions are to the Minister of Learning. What role did the minister or any of his officials play in the decision to send out this government propaganda to Calgary parents in the form of a superintendent's letter?

The Speaker: The hon. minister.

Dr. Oberg: Well, thank you very much, Mr. Speaker. I'm sincerely very happy that that hon. member chose to ask me this question today. The letter in question is a letter that was put out by the superintendent of Calgary public schools. I believe it was at the start of this week or the end of last week. It was completely unsolicited. It is actually a letter that is entitled Collaboration with Government. It's my understanding that most Albertans actually want their governments, their school boards, their municipal councils to collaborate and work together. This is an excellent letter. He chose to put it out in his superintendent's statement. He does it once a month. He has done it in his newsletter. He has done it once a month for the last 25 or 30 years in Calgary public.

If I may, this is the type of letter it is, and I will read the last paragraph, which sums it up.

I am a very strong supporter of teachers, support staff, parents and the community with respect to their massive contributions to student learning. Once in a while, would it not also be good for us to acknowledge that Alberta Learning is a major player in the business of public education?

The Speaker: The hon. leader.

Mr. Klein: Mr. Speaker, this . . .

The Speaker: I'm sorry; I've already recognized the hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. To the same minister: why is it okay for a superintendent to send progovernment propaganda to parents, but it's not okay for the Edmonton public school board to send a letter to parents outlining the consequences of government-imposed funding shortfalls? Why the double standard, Mr. Minister?

Dr. Oberg: Mr. Speaker, as I said, this is a regular letter that the school superintendent sends out once a month. Edmonton public has sent out letters to their public.

I was not the one who raised this as an issue. It's an excellent letter. It was tabled in this Legislature, which shows the benefit of it that is coming from Calgary public. Again, what the superintendent is simply saying is: hey, you know, Alberta Learning does some pretty good stuff too.

I would ask the Premier to supplement as well.

Mr. Klein: Well, Mr. Speaker, again there seems to be a little bit of

mischievousness going on here. The ND opposition has no problem when the ATA through teachers in any public school system sends home information. They have no problems whatsoever. They say that's good. As a matter of fact, they table those letters in the Legislature. They table numerous letters in the Legislature that are negative toward public education. But when some member of our caucus, the hon. Member for Calgary-Shaw, tables a letter, one letter, that says quite simply,

I want to take a rather different line in this newsletter and say a few words in support of our provincial government – directing my comments specifically to the education system,

this coming from the superintendent of schools in Calgary, they get bent out of shape.

Now, what is wrong? Are they saying that this superintendent is wrong, that he is dishonest, that he's not concerned? Is that what they're saying? If they're saying that or implying that, then stand up and say so. Are they saying that this letter is wrong, that it's wrong to collaborate with government? Then stand up and say so. Are they saying that it's only right to collaborate with the NDs and strategize with the NDs and to become absorbed with their socialist policies? That's okay. But when someone says something good about the government, oh, God, you can't say that.

2:00

The Speaker: The hon. member.

Dr. Pannu: Thank you, Mr. Speaker. My final supplementary to the minister: why is the minister attempting to silence parents by sending an intimidating letter from a school superintendent containing a subtle warning to not criticize his department and his Tory government?

Dr. Oberg: Mr. Speaker, you know, this is the second time today I've found a question extremely revolting, but this one in itself, where he said that we actually wrote this letter – we have a superintendent of the largest school district in Alberta who actually is saying that the 3 and a half billion dollars or \$4 billion that goes to public education in Alberta is spent well, is doing good things, that our students are well educated, that we have an excellent learning system, that we spend more money on education than anyone in the country. This letter is quite simply a letter that states to us, to the government of Alberta, to the people of Alberta that we have a good system and that we should recognize it. I'm personally very insulted when this hon. member says that I wrote this letter. It's extremely dishonest of the hon. member to say that.

The Speaker: I am unaware that this letter in question has been tabled, so perhaps at the appropriate time this afternoon it would be tabled.

The hon. Member for Dunvegan, followed by the hon. Member for Edmonton-Mill Woods.

Deer and Elk Population

Mr. Goudreau: Thank you very much, Mr. Speaker. My first question is for the Minister of Sustainable Resource Development. Again high numbers of deer and elk are posing havoc in parts of rural Alberta. This is especially evident in my constituency of Dunvegan, where herds of 50 to well over a hundred are roaming around. Not only are they getting into stacked hay and other feedstocks, but they are the cause of many vehicle accidents. We have deer trapped in ice on farmers' aeration systems and dugouts. We are losing hay and silage piles. Snowed-under crops are being devastated, and fences are being damaged. Can the minister tell us what is being done about this issue?

The Speaker: The hon. minister.

Mr. Cardinal: Thank you very much, Mr. Speaker. That's an excellent question. Definitely there are a high number of deer and elk in Alberta, and we continue, of course, to monitor the situation very closely.

You know, it's interesting to note that the deer population has increased by 50 percent since 1991.

Dr. Taylor: How much, Mike?

Mr. Cardinal: Fifty percent since 1991, so it's a real challenge.

Mr. Speaker, there were an estimated 4,000 to 6,000 accidents last year between animals and motor vehicles. Unfortunately, there were three fatalities, so we do have a challenge.

We do have a plan to deal with this specific situation, Mr. Speaker. Number one, of course, is to increase the hunting; number two, lengthening the white-tailed deer season from one week to one month in 15 wildlife management zones; additional supplementary licences for white-tailed deer also will be available in certain areas; and of course we are also developing two additional management zones in order to deal with that specific problem. We are looking at better signage. We'll be working very closely with Transportation in some areas. We may have to look at reduced speed limits. The other area is the habit of moose and deer crossing roads in certain areas. We need to look at how the landscape is developed. It's definitely a challenge. The other problem we have is deer and elk and moose have become urbanized and they've become reasonably tame. That creates yet a further challenge for our government.

The Speaker: The hon. member.

Mr. Goudreau: Thank you, Mr. Speaker. My second question is for the same minister. How can rural Albertans learn about what they can do to prevent problems with deer and elk?

The Speaker: The hon. minister.

Mr. Cardinal: Yes, Mr. Speaker. We are working, of course, very closely with other government agencies and stakeholders in order to work towards preventing wildlife damage to certain crops. In fact, we do help agricultural producers now to prevent damage in a number of ways through our ungulate damage prevention program, for example. The other is that staff works very closely with a farmer in relation to a store of feed and also the ability to develop fencing in some areas.

The Speaker: The hon. member.

Mr. Goudreau: Thank you, Mr. Speaker. My final question is for the Minister of Agriculture, Food and Rural Development. There are programs available, as the hon. minister indicated, to compensate some of our Alberta producers and to compensate for some of the damages that they're experiencing from deer and elk, but can these programs be enhanced to cover losses to stacked hay, the damaged fences, and the damaged buildings?

Mrs. McClellan: Mr. Speaker, the member is quite correct. There is a program in place to cover losses for stacked hay. That program is administered by Agriculture Financial Services, and it's been in existence for about two years. Producers should contact their local Ag Financial Services office to see if indeed their situation meets their guidelines. The guidelines primarily are on stacked and stored

hay, and it has to be stacked at a site that's readily accessible for feeding or transport. Today there are no programs for damaged fences and buildings, and we encourage producers to contact their private insurance carrier. Those producers do carry insurance on their farm, which is outside of our insurance programs, and those programs could possibly compensate for stacked and fenced hay.

The Speaker: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Lac La Biche-St. Paul.

Education Funding

Dr. Massey: Thank you, Mr. Speaker. Deficit budgeting was not the answer to provincial financing of programs nor is it the answer to school board financing. Despite claims of astronomical funding increases the fact is that the buying power of school boards has remained relatively unchanged for the last 10 years. My first question is to the Premier. Why is going into debt illegal for the government but sanctioned for Alberta's two largest school boards?

Mr. Klein: Mr. Speaker, to insinuate or to imply in any way, shape, or form that it is sanctioned is absolutely wrong – absolutely wrong. We are not sanctioning it. We are saying as a last-ditch measure that if school boards need to, absolutely need to, they can run a deficit for three years, but they must pay it back. They must achieve a balanced budget. This is a case that may or may not come about because, as I understand it, the budget hasn't been tabled yet, but it is one of the options that is being explored by the Minister of Learning and people in his department. We don't know if that last-ditch, that emergency measure will have to be taken.

I'll have the hon. minister respond.

Dr. Oberg: Thank you very much, Mr. Speaker. The hon. member raises two points. About the potential deficit of Edmonton public, well, first of all, the reason that we are allowing them to carry it over for three years is because it has come about so late in the year, we do not want them to penalize students, to do some things that aren't necessarily that good right now. We're giving them three years to amortize their deficit.

The other issue that was raised was the issue of the deficit in Calgary public. The hon. member has been yelling across the way. Well, Mr. Speaker, Calgary public has done an extremely fine job of paying back their deficit. As you know, this deficit has been going on for about five years, and if you talk about sanctioning, I would say that we did absolutely the opposite of sanctioning it and that we actually fired the board.

The Speaker: The hon. member.

Dr. Massey: Thank you. My second question is to the Minister of Learning. Given that government figures show that K to 12 grants when adjusted for enrollment and for inflation remain at 1992 levels, how are boards expected to pay for the arbitrated teachers' settlement?

2:10

Dr. Oberg: Mr. Speaker, since 1995 the funding to education has gone up 46 percent. Enrollment during that time has gone up 6 percent. Last year the enrollment increase in Alberta was .25 percent, which is two and a half new students for every thousand students in the system.

The Speaker: The hon. member.

Dr. Massey: Thank you. My third question is to the same minister. When will the minister put in place an allocation formula that accurately reflects the costs of running a school?

Dr. Oberg: September 1.

The Speaker: The hon. Member for Lac La Biche-St. Paul, followed by the hon. Member for Edmonton-Ellerslie.

Commercial and Sportfishing Industries

Mr. Danyluk: Thank you very much, Mr. Speaker. Over the past few months I have received concerned inquiries from the commercial fishing operators about the progress of the rationalization program, which is aimed at reducing the size of the commercial fishing business in the province. Since the commercial fishing industry brings in millions of dollars annually and is a valuable part of my constituency and the provincial rural economy and represents an important part of rural life, my question is to the Minister of Sustainable Resource Development. What is the progress of the rationalization program, and will it enable small operators to continue to operate?

Mr. Cardinal: That's a very good question and timely, again, Mr. Speaker. We have in fact just modified our program, and we'll continue monitoring, of course, very closely the modifications. The overall plan, I've always said, is to reduce the number of commercial fishermen in Alberta and the number of nets they work with.

In response to some concerns recently brought forward by fellow MLAs in relation to the small commercial fisher operators, we have made some changes now so the smaller operators can continue to remain in the industry. In fact, we will now permit the small operators who have fewer than four net privileges to renew their zone licences . . .

Dr. Taylor: How many?

Mr. Cardinal: Four net privileges.

. . . beyond April 1, 2005, as long as they pay the new licensing fee of \$500. The transfer options will still be restricted for those small operators. In the overall rationalization program over 300 individual companies have applied now seeking compensation.

The Speaker: The hon. member.

Mr. Danyluk: Thank you, Mr. Speaker. My first supplemental, another question to the same minister: how does this commercial fishing rationalization contribute to the future of our overall fisheries?

Mr. Cardinal: Mr. Speaker, like I said earlier, it's a very, very important industry. The commercial fishing industry is about a \$5 million industry in Alberta and continues to diversify certain family operations across the province. On the other hand, the sportfishing industry is a \$350 million industry in Alberta, so it's a large, large industry. We have less than a thousand lakes, I believe, that do have fish that sport and commercial fishermen can access. That is why we want to reduce the 800 commercial fishermen down to about 200 and reduce the yardage they have from 37,000 100-yard nets down to about 18,000 so that we can continue monitoring the industry. We are continuing, of course, with the overall plan to try and find the dollars necessary, and I'll be working very closely with the Treasury Board and also the Finance minister to try and get the

dollars that are required to reduce that particular compensation program in the next three or four years.

The Speaker: The hon. member.

Mr. Danyluk: Thank you very much, Mr. Speaker. My final question is to the Minister of Economic Development. Since the future of our commercial and sportfishing industries is so prominent in the economics of our rural communities, in what ways is our government promoting these industries?

The Speaker: The hon. minister.

Mr. Norris: Thank you very much, Mr. Speaker. At the outset I would agree with the hon. member's premise. Sportfishing and commercial fishing are remarkable industries, and Alberta is blessed with some of the most pristine and beautiful lakes and rivers to fish in. Obviously, the Bow River comes to mind. A lot of northern Alberta is blessed with remarkable sportfishing. There are also some of the best guided tour operators in North America that operate in Alberta. So as a result of that, our department has recognized this as an outstanding tourism opportunity and has worked very closely with the industry to promote that through our call centre and our web sites.

With regard to aquaculture, I know that the hon. Minister of Agriculture, Food and Rural Development has a very strong program, but I think I would close by saying to the hon. member that any time there's an opportunity to promote any industry in Alberta, to get the message out about the beauty and the skills and the resources that we have here, our department takes it as a vital concern and will continue to work with the hon. member, as we have in the past, in Lac La Biche-St. Paul and continue spreading the message.

Net Metering of Electricity

Ms. Carlson: Mr. Speaker, yesterday the Energy minister said in question period that net metering was a good suggestion that he would be willing to undertake, but just six days ago the Energy minister helped to defeat an opposition amendment that would have enshrined net metering in legislation. My first question is to the Premier. Given the Energy minister's flip-flop, which is it: do you support net metering or not?

Mr. Klein: Net metering. Fishing nets? No. You know what? I thought I knew it all, but I don't. I don't know what net metering is, so I can't answer your question, but I'm sure that one of our very wise ministers knows.

Mr. Smith: Mr. Speaker, that's exactly the truth. This government does not know it all.

Mr. MacDonald: We know that.

Mr. Smith: So when this government sees a suggestion that is put forward in question period without some sort of cheap reply like we've just heard from the opposite side we're prepared to take that suggestion into the policy process. It's a reasonable thing to do, it's an honest thing to do, and it's one we can do from time to time. Frankly, because of the rarity of it, I guess that's why it's so difficult to integrate completely.

Ms. Carlson: Well, Mr. Speaker, given that this is hardly a rare

concept since 30 percent of the states and five of the provinces in Canada subscribe to net metering and the Energy minister has had since last week to begin to understand it, does he understand now that in order to allow net metering in this province, we have to see an amendment to the utilities act?

Mr. Smith: Mr. Speaker, when I said that it was a rarity, I was referring to the number of good suggestions that come from the Liberal opposition.

Mr. Speaker, we have an act before the House that is in debate, so I don't want to infringe upon that rule, but as I said in what I think was a feeling of co-operation and bonhomie amongst the House, we'll certainly look at it. But to continue to be criticized for not doing something in six days is not a good start.

Ms Carlson: Mr. Speaker, can the Minister of Energy, then, explain to us: if he thinks this is such a good idea now, why did he stand up in this Assembly and speak against the amendment and urge all of his colleagues to not support it?

Mr. Smith: Well, Mr. Speaker, it's important for me to thank all colleagues who voted against that amendment and who have been supportive of Bill 3 to get it to this stage. The process of introducing something into review and legislation is, as the member knows, a process of policy development. Now, in the two and a half years of consultation that Bill 3 took to get it to where it is today, the words "net metering" were not brought up by stakeholders, were not introduced into the mix, nor was analysis asked for. It has been on the initiative of the department, at my request, that we have examined the metering, wireless metering and interval metering, that's been taking place in Puget Sound, and if there's information with respect to making Alberta an even better competitive marketplace, we'd be more than pleased to examine it in the full breadth of the policy process.

The Speaker: The hon. Member for Calgary-Buffalo, followed by the hon. Member for Edmonton-Riverview.

Organization of Petroleum Exporting Countries

Mr. Cenaiko: Thank you, Mr. Speaker. The energy industry is a critical component of Alberta's economy, providing tremendous opportunities for all Albertans. Recently some members of the Organization of the Petroleum Exporting Countries, OPEC, have suggested that Alberta attend a future meeting of that organization. My question is to the Minister of Energy. Can the minister indicate what Alberta's position is in attending a future meeting of OPEC?

2:20

Mr. Smith: Mr. Speaker, that's a good question, and it's a particularly good question because we function in a global market. Albertans who sell their oil sell it at world prices. We do not establish a price. We are price takers. So at any opportunity that we have to broaden our competitive knowledge, to make a larger bank of intellectual knowledge that we have so that we can better serve Albertans, who since 1930 have owned this resource, we certainly intend to do so. We have found that it's important for Alberta to reach out on these matters because of the notoriously inept and notoriously poor energy policy that continues to emanate from Ottawa.

The Speaker: The hon. member.

Mr. Cenaiko: Thank you, Mr. Speaker. My final question is again

to the Minister of Energy. What is Alberta's policy or position with regard to joining OPEC?

Mr. Smith: Well, Mr. Speaker, I can remember the Rhinoceros Party actually running on a platform of joining a number of countries together who had snow every year, and they would then export the snow so they'd have a continually warm climate, and that organization was to be known as SnowPEC.

Mr. Speaker, with respect to OPEC, OPEC is a collection of countries that run their oil production through state oil companies. Alberta does not do that. The mechanism that we have for orderly development and competition of capital dollars is our royalty devices. Those royalty devices have served us well over the last 50-plus years. We will continue to do that. So Alberta will not look at joining OPEC as a particular entity, nor would we recommend it to the government of Canada. But we feel that on the supply side of oil Canada is the 10th largest producing country. We think there's much to be gained from that as well as from participating with the International Energy Agency, which works on the demand side, so that we can gauge supply and demand.

For example, and just to finish off, Mr. Speaker, there is non-Kyoto oil flowing into eastern Canada that gets refined and sold as gasoline, and in fact the Kyoto question turns into punishing those who produce but letting those who refine and sell do nothing. So it's a matter of examination.

Medical Officers of Health

Dr. Taft: Mr. Speaker, we've known for a long time that West Nile virus is coming to Alberta. It's killed 12 people and infected up to a thousand more in Ontario and has left at least one Albertan in hospital for months. Given that mosquito season is soon upon us, Albertans will be watching this issue closely. One can only imagine the impact of the disease on summer activities like camping, angling, hiking, golfing, and so on. To the Minister of Economic Development: has any analysis been done on the potential cost to Alberta's tourism industry from an outbreak of West Nile virus?

Mr. Norris: Well, clearly, Mr. Speaker, the West Nile virus is a concern. It's not my department's responsibility to know if and when it's coming, so I'm going to ask the hon. Minister of Health and Wellness to maybe offer comment about what his department is doing.

I would like to offer at the outset that any threat to tourism in any way, shape, or form, including economic, health, or otherwise, is of vital concern to us, and we will do something about it if and when that threat arrives. But I would point out that that's a big if.

The Speaker: The hon. member.

Dr. Taft: Thanks, Mr. Speaker. To the Minister of Health and Wellness then: given that a public health warning from a medical officer of health about an outbreak of West Nile virus could devastate the local tourism industry, what precautions has the minister taken to protect medical officers of health from political or economic interference?

Mr. Mar: Mr. Speaker, we are working very closely with our medical officers of health with respect to two serious issues, the first one being West Nile virus, and the second one, perhaps an even more critical one, is the issue of severe acute respiratory syndrome, or SARS. In both cases we are working with our medical officers of health to indicate to them what the best advice is that we have in our

monitoring of the situation. They are aware and have disseminated information to physicians throughout the province to look for symptoms of both of these diseases, which can be very, very serious.

So, Mr. Speaker, medical officers of health do have the authority to raise the issue should it become a legitimate one. We do know that there are at least two cases of West Nile virus that have appeared in human beings here in this province. In both cases, to the best of our information, they were contracted while outside of the province of Alberta. We are continuing to monitor with the assistance of other ministries the appearance of West Nile virus in animals, particularly birds and horses. We will work with medical officers of health and other public health officials to ensure that appropriate measures are taken to do our best to (a) have a public education program on how to avoid getting bitten in the first place and (b) how to recognize the symptoms should they appear in an individual so that appropriate medical attention can be given to such individuals.

The Speaker: The hon. member.

Dr. Taft: Thanks. That's all very good, but to the same minister: given that Dr. David Swann's firing last fall proves that medical officers of health face strong political pressures, will the government take steps in regulations or legislation to guarantee the job security of medical officers of health?

Mr. Mar: Mr. Speaker, you know, let's look at medical officers of health throughout the province. They have not been shy about indicating issues that are legitimate issues for discussion, but they are not hired by the province of Alberta. They are employees of regional health authorities. So as is the case with chief executive officers of regional health authorities, with medical officers of health, those types of questions are more appropriately directed to the employer. In this case, the employer is not the province of Alberta. The employer is regional health authorities. I can tell you that this system works very, very well throughout the province. People like Dr. Predy here in the city of Edmonton are highly respected health officials, and I think that we should continue to allow medical officers of health to report and be accountable to the people who hire them, which are the regional health authorities.

The Speaker: The hon. Member for Edmonton-Highlands.

Education Funding (continued)

Mr. Mason: Thank you very much, Mr. Speaker. In the face of impending school closures, teacher layoffs, and growing class sizes in Edmonton public schools the dynamic Edmonton Tory caucus swung into action. In a bold move they have apparently convinced the Minister of Learning to allow Edmonton public school board to run a deficit. On the other hand, when the Calgary board had special requirements as a result of the teachers' settlement, they got \$7 million in cash. Why is the minister going to allow EPS to go into deficit when this government has made government debt a dirty word in this province?

The Speaker: The hon. minister.

Dr. Oberg: Thank you very much, Mr. Speaker. Well, the main reason is because we do not want to penalize students. It's close to the end of their fiscal year. We have just finished or are very close to finishing our audit. I hope to have the announcement of our audit the week after next. We're saying that if they are running a deficit

because of some mistakes that have been made, we will give them three years to pay it back, but still at this point in time that is a big if because we do not know if indeed they are running a deficit. As soon as the audit is in, I'll be able to tell the Assembly more.

Mr. Mason: Mr. Speaker, isn't the decision to allow school board deficits really just an admission that government funding for schools in this province is inadequate?

Dr. Oberg: No.

The Speaker: The hon. member.

Mr. Mason: Thank you very much, Mr. Speaker. Since school boards get their money from the government either by grants or property tax and given that EPS is already predicting a large deficit for the following year and given that the government is expected to have another large surplus this year, why not just raise the grant now so that no public school board deficit is needed?

Dr. Oberg: Well, Mr. Speaker, first of all, the budget is coming out on April 8, and I do not want to usurp what is in the budget. We are talking about one school board out of approximately 64 or 65 different school boards around the province, and a lot of them are doing well. There are some that are in a reasonably difficult situation, but a lot of them are doing very well. A lot of them are adjusting, and we fully hope and we fully expect that they will not run a deficit. In this particular circumstance we have found it prudent to allow them to carry that deficit over three years. Obviously, if they want to pay it back sooner, they certainly can.

2:30head: Recognitions

The Speaker: The hon. Member for Olds-Didsbury-Three Hills.

Bob Clark

Mr. Marz: Thank you, Mr. Speaker. I rise today to recognize a constituent from Carstairs who has distinguished himself through his many contributions to this province and to his community.

Bob Clark was first elected to this Legislative Assembly in 1960 and served to 1981 as MLA, minister of youth, minister of education, and Leader of the Official Opposition. In addition to a consulting business he also held the position of board member and chairman of the Alberta Special Waste Management Corporation. Bob also became Alberta's first Ethics Commissioner and first Privacy Commissioner, and he certainly left his mark on those two departments.

However, Bob's greatest love after his wife, Norma, and their family is hockey. His name is synonymous with the Olds Grizzlies junior hockey team, which Bob managed for many years, and he also served as chairman of the Alberta Junior Hockey League.

I was honoured last month to present Bob with the Queen's golden jubilee medal in recognition of all Bob's accomplishments and contributions, which are too numerous to mention in the time allotted here.

So congratulations, Bob, from all of us, and best wishes on your retirement.

The Speaker: The hon. Member for Calgary-Bow.

Support for Americans

Ms DeLong: Thank you, Mr. Speaker. I rise to recognize Alberta

hockey fans and a couple of events which occurred in Alberta on the weekend. On Saturday night I had the pleasure of attending the Calgary Flames game in Calgary. I've never been so proud to be an Albertan as when the national anthem of the United States was sung. That group of about 18,000 Albertans cheered loudly and sang along with the American national anthem. I understand that the very same thing occurred on Sunday night in Edmonton at the Oilers game.

Just like within our society fans at those games were divided on this war. This is why I am so proud: regardless of their position they chose to honour our friend and ally to the south by showing the true strength of that friendship.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Calgary-Currie.

Davis Cup Tennis

Mr. Lord: Thank you, Mr. Speaker. I am pleased to rise today to tell everyone about the Davis Cup event which is being held in Calgary this April 4 to 6, hosted by Tennis Canada.

Now, the Davis Cup event is very famous, having been in existence since 1900, and it's played in hundreds of countries around the world by all levels of players. The event in Calgary will be one of many happening around the globe over the course of the weekend, and fans attending not just from Calgary but, in fact, from across the province and elsewhere will be able to really enjoy some top-notch tennis matches featuring, for example, Canada versus Peru in the second round.

Of course, we're helping to host this event through the Alberta lottery fund, which is a proud sponsor of the Davis Cup, contributing \$25,000 towards that event. So we can take pride as a province and especially us Calgarians for our role in hosting this globally recognized event, and I would certainly encourage people to take this opportunity to get out and watch a few games if they can.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Centre.

World Theatre Day

Ms Blakeman: Thank you very much, Mr. Speaker. Tomorrow, March 27, is World Theatre Day. This international day is proposed by the International Theatre Institute and sponsored by UNESCO. World Theatre Day seeks to promote exchange of knowledge and practice in the domain of the performing arts, to stimulate creation between theatre people, to make public opinion aware of the necessity of taking artistic creation into consideration, to deepen mutual understanding to strengthen peace and friendship among peoples.

As the Official Opposition critic for the arts and an Edmonton MLA I'm supremely proud of our theatre community, which includes but is not limited to Azimuth, Die-Nasty, Chimprov, the Citadel, Concrete, Electra, Fringe Theatre Adventures, Jagged Edge, Jubilations, Kill Your Television, the Mayfield dinner theatre, Northern Light, Oh Susanna, Rapid Fire, Running With Scissors, Shadow, Studio, Teatro la Quindicina, Theatre Network, Theatre-sports, Three Dead Trolls in a Baggie, Walterdale, and Workshop West, all in Edmonton. So go to a play this weekend, and help celebrate World Theatre Day.

Thank you.

The Speaker: The hon. Member for Cardston-Taber-Wamer.

Magrath Zeniths

Mr. Jacobs: Thank you, Mr. Speaker. I am pleased to rise today and recognize an outstanding achievement in high school for boys 4A basketball. Last week, March 20 through 22, 16 of the best 4A boys basketball teams in Alberta competed in the 4A provincial tournament at the Enmax Centre in Lethbridge. The quality of players and competition was outstanding. I congratulate all who participated.

My sincere congratulations are extended to the Magrath Zeniths of Magrath, Alberta, who were successful in winning the tournament and being crowned provincial 4A champs in 2003. This culminated a great season of hard work and commitment by players and coaches. These players include Giovanni Uneddu, John Leishman, Cam Smith, Riley Sabey, Doug Mehew, Ryan Clark, Allen Tollestrup, Brett Harris, Derek Blackmer, T.J. Quinton, Joe Schow, Shane Nishikawa, and coaches Phil Tollestrup and Mark Tollestrup. Mr. Speaker, again, my sincere congratulations to this team and their community for their achievement.

Thank you.

The Speaker: The hon. Member for Red Deer-North.

Youth Forums

Mrs. Jablonski: Thank you. Mr. Speaker, as chair of the Youth Secretariat it has been my privilege to attend youth forums as they are being held in nine different regions throughout this province. This morning I attended the youth forum at the Westerner exhibition grounds in Red Deer and spoke to more than 60 youths from the ages of 16 to 19 years. Some were on their spring break, and some were giving up classes for the day. They were all a highly energetic and motivated group. They listened as I told them that we needed and welcomed their ideas and suggestions to help us solve some of our teen issues. We talked about youth issues such as addictions, crystal meth, youth crime, and youth employment. They were glad to hear about the changes in the Child Welfare Act and the Family Support for Children with Disabilities Act. They were glad to know that we care about what they have to say.

Each youth forum will compile and submit a report of their ideas and suggestions to the Youth Secretariat. We will review these reports and carefully consider the recommendations of our Alberta youth.

Mr. Speaker, I would like to thank members of the Youth Advisory Panel who have volunteered their time to help make these youth forums fun and informative. Thanks to the staff of Children's Services and thanks to the youths themselves for their participation. If these youths at the forums are any indication of the future of this province, Alberta has a very bright and successful future indeed.

The Speaker: The hon. Member for Edmonton-Riverview.

Song for Peace

Dr. Taft: Thank you, Mr. Speaker. A young constituent of mine, Quinn Grundy, is studying grade 12 in India at an international school. When news of the war in Iraq reached her school, the students there were so moved that several of them got together to write a song about peace. These students are from Europe, Asia, and North America; in other words, they span much of the globe.

Having written the song, they obtained instruments including a guitar, drums, and a violin and recorded it at a studio in India. They have now posted it on a web site for all the world to hear. Now, the

web address is so long there will be a link to that web site from my constituency web site, www.edmontonriverview.com.

These are some of the leaders of the next generation of humanity, and I would like to recognize their commitment to building a world without war.

Thank you.

head: **Presenting Petitions**

The Speaker: The hon. Member for Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. It's my pleasure today to stand and present a petition that's in order, signed by nearly 1,000 citizens of Alberta saying:

We are very concerned about the crisis in education. Reductions in teaching staff, enlarged class sizes or the elimination of any programs including music, special academic programs, and sports are all unacceptable ways to deal with the cost of education.

We . . . petition the Legislative Assembly to urge the Government of Alberta to increase funding for public education.

Thank you, Mr. Speaker.

head: **Tabling Returns and Reports**

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. Today I have two tablings, and these would be amendments on Bill 3 that we never had an opportunity to get to in committee, which is the stage where we would introduce amendments, because of the time allocation or closure motion that came forward. Both of these are very good, talking about other new ideas for this government to be energy efficient and help consumers.

Thank you.

The Speaker: The hon. Member for Edmonton-Mill Woods.

Dr. Massey: Thank you, Mr. Speaker. I'm pleased to table five copies of a submission by Steven Brodie to the learning commission. The submission reflects Mr. Brodie's deep concern with education and runs to over 60 pages and deals with a whole variety of problems facing the education system and offers some sound solutions. It's with pleasure that I table this submission.

2:40

The Speaker: Edmonton-Riverview.

Dr. Taft: Thank you, Mr. Speaker. I have four tablings today. Three of them are expressing concerns over education. The first is addressed to the Minister of Learning, as I say, raising concerns about funding for our children's education. It's from a Dr. Francis Landy.

The second is addressed to the Premier and the Minister of Learning from Marcia Barker, saying that she's concerned about the funding of public schools in Edmonton.

The third is to the Premier and the Minister of Learning from a Janet Haley, saying that she is very concerned about the state of learning and its impact on the weakening of the Alberta advantage.

The fourth tabling addresses Bill 27 and is from a Denise Palmer, expressing displeasure at the introduction of Bill 27. "I am an Albertan . . . I've lived in this province with my husband for almost 30 years." She's a registered nurse. She's very unhappy with Bill 27.

Thank you.

The Speaker: The hon. Member for Edmonton-Glenarry.

Mr. Bonner: Thank you very much, Mr. Speaker. With your permission I'd like to table the appropriate number of copies of a pamphlet that we received at the zone 2 and 3 board meetings, and it's titled Public Education: The Right Answer. It outlines the past, the present, and the future of public education in the province.

Thank you.

The Speaker: The hon. Member for Edmonton-Strathcona.

Dr. Pannu: Thank you, Mr. Speaker. I've got three tablings today. The first one is a set of 49 letters written by parents of children at King Edward elementary school with a request to me to table these letters on their behalf. These letters are all expressing deep concern about the inadequate funding of public education and the negative impact that this underfunding has on their school.

The second tabling, Mr. Speaker, is a letter from the board of the Strathcona nursery school outlining how this underfunding is negatively affecting activities at the King Edward school, associated with the Strathcona nursery school. Their rents are going to go up by 700 percent, and they're very concerned that it'll make their school unaffordable and unsustainable.

The third tabling, Mr. Speaker, is a letter from a highly gifted and committed teacher at that nursery school. Her name is Heather Craig, and she makes compelling arguments why it is necessary for us all to work together to save schools such as this nursery school at King Edward school.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Highlands.

Mr. Mason: Thank you very much, Mr. Speaker. I have two tablings today. The first is a letter from Linda Hughes, dated February 12, 2003, addressed to the Minister of Learning. She asks that her concerns be addressed and responded to in a timely manner, would like to know why MLAs' salaries have gone up over the past 13 years, why the government does not hold education in its highest priority, and would like a redistribution of her tax dollars as per her attached letter.

The second, Mr. Speaker, is a letter from Heather Smith, president of the United Nurses of Alberta, to the Minister of Health and Wellness, asking that the chair of the Provincial Health Authorities bargaining committee be fired for providing what she terms misleading and erroneous information about the negotiations for a new collective agreement.

The Speaker: The hon. Member for Edmonton-Highlands on a point of order.

Point of Order Clarification

Mr. Mason: Yes, Mr. Speaker. As I indicated yesterday in my point of order and perhaps inadequately, I continue to hear the Premier refer to me as a former board member. Not that I take any offence from that directly, but the purpose seems to be to suggest that I have had some conflict of interest in respect of this matter. So I again would appeal to you and to the Premier to get the Premier's facts straight with respect to my previous position, which did not include sitting on the board of EPCOR.

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. This is a point of order that was argued admirably yesterday. Nothing has really changed in the circumstance, and I think that what happened yesterday is exactly the same as what happened today.

The Speaker: It appears to be more of a point of clarification than a point of order. Unfortunately, we do have this situation, and this contradiction does allow sometimes to have two different views of the same situation. That does cause a dilemma, no doubt at all. Perhaps the hon. Member for Edmonton-Highlands might just want to emphatically put in writing to the hon. the Premier the facts with respect to whether or not he was a member of such a board. I have no idea, so I don't know how I could rule on that. But if the member says he was never a board member of the power company of the city of Edmonton – we've heard him say that he never was, and presumably that will be conveyed to all hon. members, that the member never was a member of the board in question – then one should not suggest that he was.

head: **Orders of the Day**

head: **Government Bills and Orders**

head: Third Reading

Bill 3 Electric Utilities Act

[Adjourned debate March 25: Mr. Hancock]

The Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. We are now entering into the final stage on Bill 3. [some applause] While I hear some members who support the government position on Bill 3 applaud that particular perspective, it is not one that is shared by the Official Opposition. There is no doubt that this very substantive bill has been rushed through this Assembly in a most speedy and untimely fashion, allowing for limited debate on the issues at hand. We think that is incorrect. In fact, the debate has been some very few hours by this opposition.

Mrs. McClellan: Eight hours.

Ms Carlson: The minister of agriculture says eight hours on Bill 3. Have we had eight hours of debate so far on Bill 3?

This is a very interesting perspective, Mr. Speaker, because the government seems to feel that that is enough time to have brought in closure at committee on this particular bill. [interjection] It's now renamed time allocation, as the minister of agriculture and the Government House Leader stated. However, it is a form of closure, and time allocation, when they bring it in, means that we have one hour of debate left in committee after some hours. [interjection] In this case they're indicating that it's been close to eight hours of debate on this bill.

They have used the federal government's example of bringing in time allocation and closure on bills as their good reasons for also being able to do it here. This is the only thing they seem to agree on with the federal government. So it's monkey see, monkey do when it's convenient for them; otherwise, they don't like what the federal government does.

I would like to remind them that when you scratch the surface of what this government proposes – first of all, they give you a picture that looks nice. Then you scratch the surface, and you find out it isn't all that great, Mr. Speaker. If we take a look at what happens at the federal level – we took a look at that list that the Government

House Leader gave us and randomly picked three bills that the federal government had used time allocation on to see how long they let members at the federal level debate, and we found out something very interesting. It turns out that on the bill that had the least amount of hours of debate prior to time allocation – the one that we looked at was C-20, the Quebec Secession Act, the clarity bill. Before time allocation 15 hours and 15 minutes of debate were allowed as compared to about eight here. Then we take a look at Bill C-36, amending the Criminal Code: before time allocation, 17 hours and 58 minutes of debate. Bill C-49, An Act to Implement Certain Provisions of the Budget: before time allocation, 22 hours and 44 minutes of debate. Bill C-5, An Act Respecting the Protection of Wildlife Species: before time allocation, 37 hours of debate. We're not going to see that kind of debate on all three of these bills that this government brought time allocation on.

Let's talk about time allocation at the federal level. What does that mean? It doesn't mean that they're limited to one small hour of debate in the Legislature. It means that they get a whole sitting day. Quite different from the allocations here. So this government, who has this huge, overwhelming majority, continues to bring the hammer down on a very small opposition. Why would they do that, Mr. Speaker? That's the question.

We have very good things to say. We have great ideas to put out there to these ministers, which they often aren't able to actually understand the first time we introduce the idea, as we have seen repeatedly on net metering in this Assembly over the last 10 days. [interjection] Like the member says, I guess it's a fishing thing, if you ask the Premier.

2:50

They need some help, Mr. Speaker, on these bills. They need some help on where we go for the next step, and they don't seem to be prepared to take it, but definitely it's something that's required. So with the thought of helping this government understand some of the options that are available to them, at this time I would like to introduce an amendment that will refer this particular bill back to committee, where we can discuss some of those very excellent, great ideas.

The Speaker: Would the hon. member continue as the amendment is being circulated.

Ms Carlson: Thank you, Mr. Speaker. What we see in this notice of amendment to Bill 3, the Electric Utilities Act, that I'm moving on behalf of the Member for Edmonton-Gold Bar, who signed the amendment, is for the motion for third reading to be amended by deleting all the words after "that" and substituting the following:

Bill 3, Electric Utilities Act, be not now read a third time but that it be recommitted to Committee of the Whole for the purposes of reconsidering the proposed section 1 and proposed section 20.

Mrs. McClellan: Is this a hoist?

Ms Carlson: No, this is not a hoist. This is a recommittal. There are three possible amendments that we could make at third reading stage, and the first of those that we will be talking about this afternoon is a recommittal. The last of them that we'll be talking about this afternoon or this evening would be a hoist.

Now, why would we need this particular amendment? As we've seen even today in question period, there are a lot of unanswered options and things that the government really doesn't understand about where they could move on electricity in this province to help consumers lower their costs, given that this government has created huge increases in their home costs through the mess they have made

of deregulation. Even though we've told the government for the past five years that they needed to lay out the rules so that industry knew what the rules of the game were going to be, so that industry could ensure that they had enough capacity to meet the needs downstream, so that other industries who were looking at coming into Alberta could get set up, could get established, could get their networks happening, so that the companies now operating in this province could ensure that their information systems were compatible and could work well together, so that all the needs of the consumers and the industry and the government were met. Because they didn't do that, because of this huge kerfuffle that we've seen, prices have absolutely skyrocketed, people and businesses, particularly small and medium-sized businesses, are in great hardship. We need to go back with this bill and find out how to do it properly.

In addition to that, given that with this huge majority this bill is very likely to pass, the government needs to know how to be able to provide options to consumers to lower their costs. We've talked for a few months now about putting a government retrofit plan in place where the government would either loan to consumers on an interest-free basis or have some form of grant instituted, where consumers could access the dollars so that they can retrofit their homes, and potentially extend it to the business community so that they could retrofit their businesses, so that they could access different methods of building construction and new furnaces and hot water tanks and those kinds of additions to their homes or changes in their homes or solar power or wind power so that they could lower their overall costs and be more energy efficient. Not only does that effectively help us on the path to meeting our Kyoto targets, but it also helps consumers lower the operating costs in their homes. When we're seeing electricity and gas prices coming in this winter in many cases higher than people's monthly rent or mortgage payments, we certainly need to take a look at what some of those options are.

Last Wednesday evening we introduced in this House an amendment to allow for net metering. I need to explain net metering because even after talking about it Wednesday night, when we made a fairly thorough review of it, the Energy minister didn't get it. When he got up to speak to the amendment, he couldn't explain to anybody what net metering was and then, even not knowing what he was talking about, strongly urged all members in the Assembly not to support the amendment. So the amendment was defeated. Then when we asked him a question yesterday in the House about this, he said suddenly: this is a good idea, and we'll go forward and take a look at it. Yet when we asked him and the Premier about it today, once again they were suddenly clueless about what net metering is. The Premier thought it had something to do with fishing nets. I'm sure he knows now that it's something different. The Energy minister was so arrogant in his attitude. Between last Wednesday and the question yesterday he still hadn't taken the time to either read *Hansard*, where it was explained, or to find out from his own people what's required.

Net metering is a situation where individuals or businesses or farms who have adapted their places of residence or business to use solar power or to use wind power can take that capacity and hook it into the meter in their home. What happens, then, is that at the times of day when they're using a lot of electricity and they don't have enough capacity provided by the solar power or by the wind power, their meter, their regular household meter, just like you have on the outside of your house, runs forward as they use electricity from the grid. When they have an overabundance of capacity, more than what they're using in their house, that feeds into the meter itself, and the meter spins backwards, effectively reducing their overall monthly utility costs. So when they need the power, they access the grid, just like all of us do in our homes. When they have excess capacity, that

feeds into the grid, and their meter runs backwards at the same consumption level as it would run forward.

Now, what's required here for this to work effectively in this province is that we actually need a change to the utilities act. Either an amendment has to be brought in or a regulation has to be brought into the utilities act stating that companies have to provide this service in this province.

You don't need an extra meter to do this. The existing meter you have now goes forward and goes backwards. That works. The companies providing this service just have to agree to do it. The trick here is that they agree to take in the power that the consumer is offering at the same price that they're selling it out to them. In the States and in the provinces where there isn't a specific regulation saying that companies like EPCOR have to provide a net metering service, what happens is that the individual can come to an agreement with the organization. So we have an instance here in Edmonton where EPCOR won't do it. There's an instance in Calgary where Enmax will do it.

The trick is that if there is no legislation saying that what they're selling to the consumer is going to be charged at the same price as what is coming in, what the companies will do is give a bargain-basement price for that electricity coming into their grid from the household. So that's an unfair advantage that the large corporations have. If there is a regulation in place saying that this service has to be provided at the same level as what the daily household charge was to that household, then you really have a level playing field, and it's just an excellent idea for people who want to put a solar panel on their house. It's a particularly good idea for prairie farmers because of the ability to have wind power and feed that into their grid. It's a particularly good idea for intensive livestock operators. It really works well in communities where it's been used. It's good for acreages who can also hook up a windmill, and of course it works very well in city areas where you have the ability to put a couple of solar panels on your house.

3:00

So this was the idea that we were asking the Energy minister to adopt in the amendment. We even had the minister of agriculture saying that it sounded like an interesting concept and if it didn't cost companies any money to do it, it should be something that should be pursued. It's true. Because the consumers are selling a little bit of power in, there's an opportunity cost loss for the large companies like Enmax and EPCOR because they're not selling as much power to that consumer as they could've, but that is the only cost to the large corporations.

The cost to the individual is to set up their particular system, solar or wind, and then ultimately the hookup into the existing meter that they have, but they don't need a new meter, and other than that it's a system that works out very well. There are 30 states – some of them are northern states, but some of them are southern states – and they think that this is an effective enough way to reduce energy costs that they have set up legislation in all those areas for it. It's really something that we need to do. So I urge everyone to support this particular amendment.

The Speaker: The hon. Member for Edmonton-Glengarry on the amendment.

Mr. Bonner: Thank you very much, Mr. Speaker. It is indeed a rare opportunity that we get to speak to such an important amendment, an amendment that has huge implications and has a huge impact on the consumers of this province. Unfortunately, we keep hearing that there has been adequate debate on this bill, a bill that is potentially

going to cost the consumers of this province billions of dollars, yet we have had very little debate, and we've had very little participation by government members. Wouldn't it be nice for all of these people who get all the calls in their constituency offices and all the complaints about our high electricity prices and people that constantly complain about the price of their energy in this province, when for many, many decades they were accustomed to a regulated rate – those people, those Albertans, do not have the opportunity to hear their members debate. They perhaps may have talked about it in caucus or may not have – I have no way of knowing – but we certainly don't have a public record of that. We don't have their thoughts and their ideas in *Hansard*. Yet they're going to go back to their constituencies, and those very people that they represent are going to be paying larger and larger bills.

It is a very, very good amendment that has been proposed. Just to review that amendment: "Bill 3, Electric Utilities Act, be not now read a third time but that it be recommitted to Committee of the Whole for the purposes of reconsidering the proposed section 1 and proposed section 20." I think that is an excellent suggestion, Mr. Speaker, particularly when we are at the final stage of this bill and this is probably the biggest bill that we will be debating in this spring session. It is also a very, very important bill because electricity does affect each and every Albertan. It is certainly something that is getting a whole lot of attention.

Now, many years ago when I was still a student, I had the opportunity to take a course. One of our required readings was a little book called *Limits to Growth*, and in that book it described how we have all these feedback groups and things that we were doing. It was quite interesting to note even at that time that our professor said: really, if you wish to cripple Canada, if you wish to cripple any northern country, all you would have to do is when the cold weather, the 30-plus-below temperature, hits, somehow limit or destroy their electrical production. They would be crippled. That thought has always stuck with me, and that's well over 35 years ago that I listened to Dr. Wilson describe that.

We are dealing here with an extremely important issue. We are dealing with electricity, that certainly allows a much better quality of life for all of us in the world. It is an issue of fundamental importance. None of us want to get back to the days when the pioneers settled this province and they didn't have electricity. So we have to look here at how the electrical market has developed in this province, how it has played such a vital role not only in the development of this province but in the attraction of many people to this province.

[The Deputy Speaker in the chair]

We certainly realize that over time the electric industry, not only in this province but throughout North America, has become a very complicated system yet a very, I think overall, efficient system, particularly when you look at how the electricity grid has developed in North America and how links from different jurisdictions fit together and how we can reroute electricity because of shortfalls, because of problems with our plants, where we have breakdowns, whatever. But overall we can reroute electricity so that we can certainly handle all of these shortfalls.

It is a very, very complicated system, Mr. Speaker, because electricity is one of those essentials that cannot be stored. We cannot use it if we produce too much. We also have major problems if we produce too little. So the market, the system in North America has just done a fabulous job in not only operating but supplying us with cheap and reliable electricity. It has developed over decades, and of course as it has developed, it has met so many of the problems

that we would have encountered if we had not had a regulated system.

Now, again, at one time we did have a system that wasn't regulated, and it led to many, many problems. You know, we had supplies that were not necessarily sustainable. We had supplies that would come and go. It wasn't an efficient system. There were no standards.

Of course, we have to look at safety issues when we're dealing with electricity because it is one of those very volatile forms of energy that if not used correctly can have serious consequences. We have to look at the fact that there is no substitute for electricity, and we have to realize that electricity is not a commodity. It must be treated quite differently than other commodities. It is because of this, Mr. Speaker, that electricity does not lend itself to the market forces. So when we look at Bill 3, the Electric Utilities Act, that is certainly one of the goals: to allow electricity to be used as a commodity.

3:10

Now, then, when we do look at the regulated system which we did enjoy in this country for many, many decades, we had a very good supply. The supply was consistent. It was never in question, and as we required more electricity to come on-line, then certainly it came. We also had a very efficient system in that here in Alberta until we deregulated we had some of the lowest rates for electricity in North America. We also had standards where the producers had to meet those standards. We also had a system that had been developed over many years of dealing with electricity where it was very efficient; it was very safe. Certainly, we have all recognized how very useful electricity is as a form of energy. What we have in Alberta and had in Alberta was a very good system, and we did enjoy very cheap and very reliable energy. Why we would want to tamper with that particular system is above me.

As I did indicate, cheap, reliable electricity is certainly one of those issues that attracts people to Alberta. It attracts business to Alberta, and it has certainly led to the economic development that we enjoy in this province. All we have to do is look at our future and look to the hon. member's constituency of Fort McMurray. Certainly, the amount of energy that's required in that part of the province to produce and separate the oil from the sands – again, very, very critical. When we look at the future of this province and the potential that we have because of that huge oil spill that occurred I don't know how many hundreds of thousands of years ago up in northern Alberta, we have to realize that our success and also that success are based on different forms of energy, of course, and electricity being one of them.

We have had in this province a regulated system, a system that was supported by business. It was supported by consumers, it was supported by regulators, and it was the backbone of a very, very good system. It was without a doubt the building block of our financial success.

So in our amendment that we're speaking about here today, Mr. Speaker, we are asking for this bill to be recommitted to Committee of the Whole for the purpose of reconsidering proposed section 1 and proposed section 20. The electricity industry is, as I've indicated, a very, very complicated industry. It is one where we as Albertans have enjoyed some of the best and cheapest electricity in North America. The hon. Member for Edmonton-Ellerslie had just spoken very eloquently to the whole issue of net metering, which we have not even seen here. This certainly is one of those recommendations that I think the whole Assembly would like to look at because we do want the cheapest possible rates for our constituents.

Mr. Speaker, with those few comments I will take my seat and

urge all members to speak to this amendment. I think that all members should support this amendment as well because it will allow us to take a look at a bill that's a very complicated bill and certainly look at options where we can provide the type of service we had in the regulated system to Alberta consumers, a system that provided very cheap and very reliable electricity, something that unfortunately, since we've had a deregulated system in this province, we haven't been able to maintain. As well, I think that one of the things I haven't mentioned here is the fact that I believe that Bill 3 is going to remove the right of community-based companies like EPCOR to set their own rates.

So with those few comments, Mr. Speaker, I will take my seat and certainly look forward to the debate raised by all members. Thank you.

The Deputy Speaker: The hon. Member for Grande Prairie-Smoky on the amendment.

Mr. Knight: On the amendment. Thank you, Mr. Speaker. I have to rise and join debate with respect to an amendment before us that would in fact return a piece of well-thought-out, necessary, and timely legislation to committee for further study of two areas. The first one, I believe, is section 1, which I presume would be the interpretation. If we want to return to committee to discuss the interpretation of this particular piece of legislation, then I would say that we really are going to go back, well, at least until 1995. I think that was when the first one was brought in, a little before me, and that would be kind of where we'd be returning to. I can't really support the idea that we would need to go back eight years or something and kind of start this thing again.

Bill 3, Mr. Speaker, is actually a complicated piece of legislation. I agree with the member opposite. That is true. When you break it down and you look at the discussions that have taken place in this Assembly about the particular issues that the bill itself addresses, I think that I could argue that it would be difficult for us to have many more varying opinions with respect to these issues. Certainly, net metering is a technology that can be employed. No argument that it's a good idea. No argument that it's available. No argument that it's being done in certain places. However, I might perhaps put it this way: net metering is not really for the masses. There are certain circumstances where net metering can work, but we don't want to leave anybody with the impression that net metering is something that you would want to put in every household in the city of Edmonton. I rather doubt that that would work, although there are instances and certainly I'm sure they will be investigated. I do believe that in the province of Alberta right now there are instances where that return power system is actually working, so I certainly agree with that. However, it's not necessary to return the act to committee in order to address a situation like net metering. I'm sure that that can be accommodated other ways, and very likely in the regulations that surround this piece of legislation there can be accommodation made for situations similar to that.

3:20

The Electric Utilities Act has a number of very necessary parts to it with respect to the ongoing restructuring of the energy business in the province of Alberta and, I might add, Mr. Speaker, in North America in general terms. We really do need to understand that as we move ahead, Alberta will have to be connected with and be a player in a bit of a larger electrical market. So what we're doing here: we're going to establish an independent system operator. This new market operator will assume responsibility for the market operations in the province, and they will include the Power Pool,

system control, the long-term transmission system integrity, the planning and the management of our transmission system, which – and I agree again with the member opposite – is extremely important business for the province now. This legislation addresses that particular issue. We realize that on an ongoing basis and looking out a few years, transmission congestion could be a major problem for Albertans. This piece of legislation, under the ISO, will deal with that. Another important thing that the ISO will do is they will handle under one umbrella, under the ISO, the load settlement issue, and that again relative to transmission and distribution is extremely important for Albertans.

The way that we started into the restructuring of Alberta's electrical system brought about a situation where we had a requirement to organize a Balancing Pool. The Balancing Pool, again, is a temporary part of the restructuring, and it's ongoing for a 20-year period. We had to have a way in our system to allow the Balancing Pool to operate independently of the rest of the players. Another important part of the Electric Utilities Act, 2003, is to allow the Balancing Pool to become more independent and to be governed by its own board, a more independent Balancing Pool, Mr. Speaker, governed by a board of professional members no longer associated with the Power Pool.

Again I just want to go back to reinforce the things that the member brings up. They're absolutely true and critical. That is: what about ordinary consumers in the province of Alberta? What are we doing for consumers? Certainly, the ISO is part and parcel of an oversight system, but more importantly I think that the market surveillance administrator will be appointed by the EUB. Mr. Speaker, the market surveillance administrator will conduct surveillance, monitor and investigate the market to ensure that it operates in a competitive and transparent manner.

The MSA has under this bill some expanded responsibilities in the area of the retail market, and I believe that's the part that you would be most concerned about; that is, the consumers in the province. This will allow consumers to have a greater amount of confidence that the retail functions in the marketplace are competitive and are transparent. The market surveillance administrator is a single person, and when we go into that in the bill, it's understandable there that he has some major responsibilities and abilities given to him to carry out his function with authority.

So those are, I think, some of the issues certainly brought up that I hope I was able to help address and the reasons, Mr. Speaker, why I feel that it's important for this legislation to move ahead. I need to then address the situation with respect to the amendment, because I don't see the amendment, especially in areas of interpretation, being a productive thing that is actually going to move this piece of legislation in the right direction. So I have to urge my colleagues to vote against the amendment.

Thank you, Mr. Speaker.

The Deputy Speaker: On the recommittal amendment, please, Edmonton-Mill Woods.

Dr. Massey: Thanks, Mr. Speaker. Just a few comments to make on the amendment before the House that would recommit the Electric Utilities Act, Bill 3, to the Committee of the Whole for the purposes of reconsidering specifically section 1 and section 20. I think there are a number of issues that are in play. One is those two specific sections that the amendment addresses, and I'll speak to them in just a minute, but I guess that the purpose of the recommittal motion is more important than the specifics.

What we're asking is that there be, really, a sober second look at Bill 3. I think that it's wise that we ask for that second look at this

point, Mr. Speaker. We're still somewhat surprised that the government has seen fit to push this particular bill through the House with such haste. It's a large bill and it's an important bill, and it would seem to us that it's a bill that deserves a reasonable amount of time for debate and a reasonable amount of time for interested parties to have their say about the implications of the bill. We don't think that that's happened. So one purpose of the recommittal motion is to provide the Assembly and others who are interested in the legislation with an opportunity to again look at the provisions of the bill and the implications of the bill. In our case we've been particularly concerned about consumers in the province because those are the kinds of people that we've been hearing from in the last number of days. So there are those two purposes.

I think the need for a sober second look at it became really evident this afternoon, and as has already been mentioned, it surrounded the discussion of net metering. It was astounding to find that the minister in charge didn't understand – at least, it didn't appear to people on this side of the House – what something as basic as that term really was about. Even more distressing, Mr. Speaker, is that that minister would have advised his colleagues a number of days ago to defeat an amendment that would have placed net metering in the bill. So I guess that the point I'm trying to make is that the actions of the minister call into question the government's own understanding of its legislation. Has this been prepared so hastily that there have been some major oversights? When you have really quite basic and certainly not hugely significant things like net metering not even in the vocabulary of the minister and him advising the government to take action in the Assembly based on lack of knowledge, it's really most distressing, and I think it does point out the strong need for a second look.

3:30

It comes back to comments that we've been making about the natural gas bill before the Legislature, and that is that so much of the legislation seems to be driven by blind faith in the market and that somehow or other all you have to do is drive and drive and drive towards a competitive model and that no matter what the conditions are out there, somehow or other it's all going to work out. We've had that experience previously, Mr. Speaker, with the government, and the fact is that it doesn't always work out. Blind faith may be great in some areas, but when it comes to utilities, it doesn't carry the day.

The proof of it, of course, is the size of the amendment that's before us today, a bill that runs over 129 pages. That's quite an amendment and again, I think, speaks to the whole notion of things not being thought through carefully the first time and then having to be redone. I think it's unfortunate. So much of the legislation, I think, has been driven by that faith in a competitive market, and I think that our concern is that Albertans are now paying a high price and are going to be paying a higher price in the future for that kind of approach to public policy-making. Again, I think it's unfortunate.

Specifically, the amendment asks us to revisit part 1, which is Interpretation, Application and Purpose, and section 1 of that is Interpretation – and these comments were made previously, Mr. Speaker – which really defines the terminology that's going to be used throughout the act. Most of the definitions remain the same with the few that have been added or deleted as was necessary throughout the act. For instance, the definition of an electric utility has been broadened to allow for the convergence of the natural gas and electricity retail markets. The purpose of this, of course, is to allow one retailer to sell both products.

I think it's that whole concern about retailers – and the previous speaker, I think, tried to assure us that this has been looked at

carefully and that we don't need to have concerns, but given our experience, we do have concerns about how retailers are going to behave and the kinds of situations that, particularly, residential customers are going to find themselves in when this act becomes the law of the land and we really get into the deregulation as envisioned by the drafters of this legislation.

The definition of farm transmission costs dealing with supplying electricity to rural electrification authorities has been removed from the act, and the definition of municipality has been broadened to include the Métis settlements, that were established under the Metis Settlements Act.

The definition of power purchase agreement has been added to the act, and now I think it makes it abundantly clear that the claim that we made at the time that we had no idea that Alberta's electricity generating assets were going to be sold off when the government began its deregulation process back in 1980 was correct. No one had any idea what the government had in mind, and to claim otherwise is a distortion.

Section 1 defines where different terms created by the Electric Utilities Act get their meaning, and section 1(3) simply states that the Electric Utilities Act determines if a corporation is a subsidiary according to the Business Corporations Act.

An important section is the section that deals with the Medicine Hat service area. Section 1 provides the definition for that service area, and it's really quite important to the rest of the act because the Medicine Hat service area is exempted from some provisions, and it's treated differently than other entities in parts of the act, particularly when it comes to various regulations. So it's an important definition in terms of what that service area includes.

So those definitions have some implications. We're concerned, as I indicated, about retailers. We're concerned about the residential customers and that our concerns for residential customers are not reflected in the definitions that we see there. We've done some thinking about what might go there, but at this point all we're asking is for it to be taken back to Committee of the Whole for reconsideration purposes.

The second section that we had asked to be reconsidered was the ISO rules under section 20. This is the section that establishes what areas the ISO has jurisdiction in, and it outlines the various areas where the ISO can make rules. Most of the rules, we have to admit, already currently exist as part of the Power Pool, and this section simply transfers the rule-making authority from the Power Pool to the ISO.

But, again, as I said, the major purpose of the amendment before us right now, Mr. Speaker, is to ask for a very careful second look at the provisions of the bill, and as I indicated last night with another bill, I suspect we're going to be back here – and I would almost lay money on it – in the fall or next spring with further amendments to the act and more changes. Part of those changes will be as a result of not having done a thorough job in the first instance. Again, the concern we have is that amendments that are put forward are dismissed summarily and often without any knowledge of what the amendments actually mean or the content of the amendment. They're dismissed on purely political grounds rather than in the interests of trying to make the act a better piece of legislation that would better serve Albertans.

I think that with those few comments, Mr. Speaker, I would urge members to support the amendment before us and to allow the House to take a close second look over a longer period of time at the provisions in Bill 3. Thanks very much.

Mr. Speaker, before I conclude, I'd like to adjourn debate on Bill 3.

[Motion to adjourn debate carried]

3:40

Bill 19**Gas Utilities Statutes Amendment Act, 2003**

[Debate adjourned March 25: Ms Carlson]

The Deputy Speaker: The hon. Member for Edmonton-Ellerslie.

Ms Carlson: Thank you, Mr. Speaker. I'm happy to resume debate on Bill 19. I'm wondering if you could give me some indication of how much time I have. Okay. Twelve minutes. Thank you very much.

We have still quite a bit to say on Bill 19 although we're in the final stages of this particular bill. The problem that we have had with it from the beginning is that while there has been deregulation in the gas markets for a long time, the principal reason for bringing this bill forward is to give companies that are moving into Alberta to provide electrical services, utility services a better market by being able to bundle services, being both gas and electricity. When we do things to provide a better platform for business to make money, it means somebody isn't making money, and that means it comes right out of consumers' pockets. That is our biggest concern with that, Mr. Speaker.

Having said that, I will now introduce an amendment that we hope will focus on consumer protection. I am happy to talk about the amendment to Bill 19, the Gas Utilities Statutes Amendment Act, 2003. I'm moving it on behalf of the Member for Edmonton-Gold Bar, and it states that the motion for third reading be amended by deleting all the words after "that" and substituting the following.

Bill 19, Gas Utilities Statutes Amendment Act, 2003, be not now read a third time because it is the Assembly's view that the bill will leave consumers vulnerable to entrenched high natural gas prices without consumer protection.

Why do we think that there won't be consumer protection here? It's because we haven't seen anything come forward from the government to indicate that that would be the case. Part of what protects consumers is bringing in other options for them to be able to take a look at so that there are more options available on the market. If they have things that are available to them to do, that brings down the cost of gas in general. I talked about some of those on the electrical side when we talked about net metering. The same thing can be given. Electricity sold into the grid provided by green sources can be used as a heating source as well, which then can be in direct competition with gas, which is what we're looking for here: whatever options are available that bring the overall price down.

In fact, Mr. Speaker, there are quite a few good options out there. We didn't have a chance to talk about some of these other options in committee because of the time allocation rules, but there are certain locations that have anticipated the high costs of gas and other sources of heat and have brought in very excellent programs for their particular memberships to participate in. If we take a look at some of the outstanding options that are out there, California has some really good ideas. They have something that's called an energy-efficient mortgage. Eligible technologies are solar water heat and active space heat and photovoltaics. Well, I don't have enough time to go into a definition of that for the Energy minister, so he'll have to look it up or get some of his staff to look it up so that he understands it, because something as simple as net metering seems to be an insurmountable barrier this particular week.

To go into a summary of the kinds of things that we could be bringing in that speak to this particular amendment talking about consumer protection are these mortgages. They can be used by homeowners to pay for energy-efficient measures for both new and existing homes. That becomes a critical factor, Mr. Speaker, because not everybody is going to go out and buy a new, energy-efficient

home. They can't afford to. And what do we do with the surplus on the market that is there otherwise? That's why our idea of having a retrofit program for existing homes is such a good idea. You could combine this with this kind of a mortgage. What happens is that they can be applied to most homes and work for both government-insured mortgages, like we have in this province, and conventional kinds of mortgages.

In a nutshell what happens is that all buyers who qualify for home loans also qualify for this. So it's intended to give these buyers additional benefits on top of their usual mortgage deal. What happens is that the lender uses the energy efficiency of the home, as determined by a rating that is federally monitored and implemented, to determine what the benefits are going to be. Then it can be used to finance all these technologies. So this could be in addition to the retrofit plan that we've talked about, or since the government doesn't like to take our great ideas all that often, then they could go to this mortgage program instead. We heard some discussions earlier this session about options for mortgages, I think brought up in private members' bills by private members who support the government agenda, so we know that for at least this particular idea there is some kind of support. So I would strongly suggest that both the Energy minister and the Environment minister get together with their respective departments and start to think about how we can help people get out of this huge corner that they have pushed the average consumer into with the kinds of costs that we're taking a look at.

Montana also has a really good incentive program for renewable energy, which would come in direct competition with high natural gas prices, which speaks to this particular amendment. This program is called a universal systems benefit program, and it's a public benefits fund incentive. The eligible technologies for this one are passive solar space heat, solar water heat, active solar space heat, solar thermal electric, solar thermal process heat, again photovoltaics, wind and geothermal electric.

3:50

I just had an interesting discussion with a person who came to my constituency talking about how to lower costs. This person is a home builder, and he talked about how we need to start taking a look at using thermal heat and electrical heat way more efficiently. He builds very low-end consumer houses, so first time buyer kinds of homes, and he builds them mostly around the Cooking Lake area. What he has done to keep his costs low for a long time is when he builds the home – traditionally, what builders do is take all their scrap materials and haul them out to the dump. That creates a few problems. It creates a waste problem, a transportation issue, dumping fees. All those add to the cost of the home. What he has done traditionally is dig a large hole in the backyard, so down about 40 feet and about 10 feet wide. What he does is dump all the household waste in that hole. Then what he does, also, is put water heater pipes vertically in the side of the hole, covers it all up when he's done building the house, hooks up the water heater pipes to the home. This is a very environmentally forward-thinking concept, and it works very well for him and, subsequently, for the people who buy those homes.

As that waste decomposes – now, if you think about it, it's all decomposable biomass stuff: wood, things of that nature – the decomposition creates heat. So what happens with the heat that's generated down there is it heats up the water coils, and that feeds into an electrical system into the house. That stuff takes about 20 years to decompose completely. At that point in time what it does is run through into the house and through tubing in the basement hooks up to the water tank there and provides heat for the home, thereby reducing the overall energy costs, effectively using waste

materials from building homes. This kind of power is a great idea. It's something that we need to be taking a look at as options, and it's the kind of thing that would specifically qualify for this particular benefit program that Montana has.

So when did Montana do this? You know, is this a situation where everybody just suddenly woke up? Well, most states have been working on these kinds of issues since at least the mid-1990s, and Montana brought this in as part of its 1997 restructuring legislation. So it took them a little while to get it all figured out and to get the legislation in place, which is exactly what we've been asking the Energy minister to take a look at and to bring forward here. What happened was that on January 1, 1999, all suppliers began contributing a very small percentage of their profits, and that created a fund. It supports energy efficiency, renewable energy resources, low-income energy assistance, and renewable energy research and development. So these funds are then distributed among these programs, and implementation began almost immediately. This is, once again, another really good idea that this government, had they done their research – you know, Mr. Speaker, they have way more people in their department to help them with research than we do, certainly, and it wasn't very hard for us to find out about these very excellent ideas that are out there in the community.

They also could have taken a look at some of the options that were provided to them by the Pembina Institute submission, options that speak directly to this amendment when they talk about consumer protection and leaving consumers vulnerable to entrenching high natural gas prices. In this Climate Change Action Plan for Alberta: Summary Overview submitted by the Pembina Institute, they talked about all kinds of things that could help overall in lowering gas prices and providing some protection. They also in this submission talked about net metering. So this isn't a new concept to this government. It has been around for a long time, and we strongly suggest that they read the stuff they get.

The Deputy Speaker: The hon. Member for Edmonton-Glengarry on the amendment.

Mr. Bonner: Yes. Thank you very much, Mr. Speaker. Again, I think it's very important that all members of the Assembly take a second look at Bill 19, another bill that is dealing with necessary utilities to the province. It's a situation where I think, when we look at the whole gas industry in this province, there are some things that we would like to do again. I look at our plant down at Joffre, Alberta, that strips the natural gas in this province and uses those by-products in the petrochemical industry. What a difference it has made to Alberta. Certainly, the foresight that Premier Lougheed had when he made it possible for Joffre to come into being and to compete with the Sarnias of the world and whatever else – it was one of those industries in the province that was welcomed, and it was one that was very beneficial to the province. A few years later we had the development of the Alliance pipeline, and we allowed all of that natural gas here in the province to flow out of this province without being stripped. Something like that has put our entire petrochemical industry in a very weakened position simply because of the source of materials.

So we look at this particular bill, Bill 19, the Gas Utilities Statutes Amendment Act, 2003, and what it's going to do here in the province of Alberta. Specifically to the amendment, Mr. Speaker, the hon. Member for Edmonton-Ellerslie has indicated that it "be not now read a third time because it is the Assembly's view that the bill will leave consumers vulnerable to entrenched high natural gas prices without consumer protection," and I think she was right on when she introduced this amendment.

When we look at the bill itself, we see that Bill 19 is a sister bill to Bill 3. It proposes amendments to align the natural gas retail marketplace with the electricity retail marketplace, and certainly it allows for a single billing of the two. It also changes the structure of the natural gas retail marketplace to allow for more competition. But, again, when we have a limited supply of natural gas in this province – and at our present rate of consumption we have less than 20 years of reserves left – then I think that we have to be very cautious about these bills that we pass in this Assembly. Certainly, the amendment will allow us to look at situations where we can provide cheaper gas to consumers here in this province.

Now, then, we talked at length in the Assembly about consumers having the choice of signing a contract or floating on the natural gas spot market when they receive their natural gas. Natural gas is one of those essentials in this province that are required for industrial growth. It's required particularly for a number of months for our consumers, our small consumers, and the constituents in all of our constituencies in order to enable them to live year-round, and it is an essential – essential – energy source. So we have to look at ways that we can provide this type of energy at a very competitive price but also at a price that certainly won't lead to wastage, because it is a nonrenewable resource.

4:00

Now, then, as well, I looked at a study which was done by the Federation of Alberta Gas Co-ops, and it's titled Improving the Competitiveness of Alberta's Retail Electricity Market. Certainly, when we are discussing Bill 19, which is the Gas Utilities Statutes Amendment Act, there are so many parallels between the two, and one of the conclusions that they came to was that in certain cases introducing competition into the marketplace will bring down prices. They go on to say that

deregulation of natural gas has worked well at the wholesale level, but cost-benefit analyses and reference to actual experience in other jurisdictions demonstrates it does not work well at the retail or small consumer level, without introducing additional costs, additional layers of overhead, and increased control required by regulators.

So they do have some very, very legitimate claims when we are looking at this particular bill and this particular amendment.

As well, the federation and Gas Alberta Inc. go on to ask the government to keep in mind this small consumer, who has little protection from the marketing community, does not understand complexities of purchasing commodities such as electricity and natural gas, and may never be comfortable or able to fully understand the unique commodity market process.

For that very reason right there, Mr. Speaker, I think it's essential that we as legislators do our homework here so that this whole process is open, this whole process can be understood by your small consumer, and we can provide them with the best price possible regarding the gas.

Now, then, Bill 19 as well allows for a flow-through price of natural gas, and it certainly does change the rules of the marketplace in that it attempts to attract more competition. But, again, how can we have more competition when we have a limited supply, particularly when we look at the resources that we do have in this province, known resources that have currently less than a 20-year supply?

It is with those comments, Mr. Speaker, that I support the amendment as proposed by the Member for Edmonton-Ellerslie. I am also in agreement with the federation and the Gas Alberta Inc. position where they look at the situation. Certainly, they look at a bill such as Bill 19, that is being promoted by government, and they say: does this meet a test of prudence, and does it satisfy a cost benefit to consumers? So far I think that what we have seen is that there is no guarantee that there will be a cost benefit to consumers

with the passage of this bill. It's a bill that will give them choice but certainly no guarantees that there will be a cost benefit.

So with those comments, Mr. Speaker, I will cede the floor to some other hon. member and encourage all members of the Assembly to vote for this amendment. Thank you.

The Deputy Speaker: The hon. Member for Edmonton-Mill Woods on the amendment.

Dr. Massey: Thank you, Mr. Speaker. I'm pleased to have the opportunity to speak to the amendment. We're often accused of being repetitive in the opposition, and I have to admit that I'm feeling repetitive. I'm putting it down to the nature of the bills. Bill 19, the one that's in front of us now, the amendment for Bill 19, and Bill 3 are very similar and give rise to the same concerns, and Bill 27, a companion piece that has been introduced and rushed through the Legislature, also gave rise to some similar concerns. So if we're using the same arguments time and time again, it's because the three bills elicit that kind of criticism.

That being said, Mr. Speaker, I would like to support the amendment that would have Bill 19, the Gas Utilities Statutes Amendment Act, 2003, not read a third time. I think that what's important in terms of the reasons for the amendment being presented to the House is that it's our fear that it's going to leave consumers vulnerable to high natural gas prices and that there's going to be very little consumer protection, and I don't think that those fears are unfounded.

If you look at natural gas deregulation south of the border, one of the major concerns there has been that in all of the legislation the consumer has been left behind. They've been left out of any kind of major concern when the legislation was drafted and, again, a great faith that somehow or other the marketplace was going to take care of the consumer, and that in many places south of the border just hasn't happened. What has happened in a number of states where there is natural gas deregulation is that consumers are asked to pick a gas supplier on blind faith that the marketer can deliver what is promised, and it's very difficult for customers to make their choices without any evidence or the resources that they need to make sure that that is the case. How can consumers in Alberta, for instance, go out and interview someone in the marketplace and try to find out: what's a good company, what's a bad company, what's a good rate, what's a bad rate?

I've had – and I'm sure I'm not alone – trouble getting the whole business of gigajoules and all of the terminology that is now part of the legislation, making sure that I understood those and what kinds of implications that that has for my own residence. I think I'm one of the lucky Albertans, as are people in this Legislature who are dealing with it, and I still have to confess that I look at the water heater that's fired by gas and wonder how much energy that is and what it's going to add up to over a year, and I'm sure that I'm not alone.

4:10

It's really our concern with customer protection in this amendment that we're addressing and, again, the haste that it's being pushed through the House with and that the good kinds of education, the good kinds of alternatives and suggestions to consumers and ways to protect them are being left to be handled later, I guess is the way that they'll be addressed, and I don't think it's good enough. The experience elsewhere has been summarized as leaving consumers to significant risk. While the rules of deregulation and the regulations and the legislation are debated, the consumers are left out there on their own.

There have even been some schemes south of the border where consumers were encouraged in the interest of getting a better rate to pay their bills to the company ahead of time. They would be asked to put three or six months of utility costs up front, and you can imagine the kinds of Pandora's boxes that that opens in terms of what might happen to customers. The kinds of actions that some of the retailers have taken when customers have defaulted are actions unknown in our province. I know that in our constituency office when we have customers who have difficulty making their bills, we're able to negotiate with companies like the gas company to make sure that the utility stays on, to make arrangements for payment, and south of the border that's not been the case in many instances. Retailers have been very hard-hearted and have not had the kind of compassion that we have come to expect from our public utility companies in this province. So it sets a whole new climate in terms of the relationship between customers and the supplier of their natural gas and not always for the better.

I think some of the states have tried to move now to protect consumers, but again it's after the fact, and I'm afraid that that's what we're going to be in for in Alberta. We're going to be going back and saying: how can we rectify this situation that we've created with bills like Bill 19?

The fact that there were retailers getting ready to operate in the province before they were legally sanctioned to do so I think is just maybe the tip of the iceberg in terms of what we're in for when the vision for Bill 19 becomes a reality in the province, and again I think it's unfortunate.

The other piece is that consumers can be protected in a number of ways. One of them is through the legislation that we have before us, but there are a number of other things. They can be protected, first of all, by being encouraged to do things themselves that will protect them from high energy costs. The Member for Edmonton-Ellerslie indicated some suggestions that had come from the Parkland Institute. I know that many members of the government have a view of the Parkland Institute that's not always positive, but they do good work, and they have made, I think, some very positive suggestions for government action that would help consumers protect themselves from high natural gas prices. It's this kind of preliminary work that I think should be in place or should at least be ongoing before bills like Bill 19 are acted upon. One of the suggestions is that the government should improve the energy efficiency of new building construction, and they give a number of suggestions as to how that might be done.

Ms Carlson: It's the Pembina Institute, not the Parkland.

Dr. Massey: Did I say Parkland? Sorry. I need to correct that. I said Parkland Institute. It was the Pembina Institute.

An Hon. Member: The Fraser Institute.

Dr. Massey: No, not the Fraser Institute. We have own biases about the Fraser Institute.

The suggestion is that the government immediately adopt the national energy codes for housing and building, that they could remove the barriers to the construction of R2000 homes in Alberta by reducing the costs for builders, because building those kinds of homes increases permit fees and municipal taxes associated with the construction of the home and again becomes a barrier. The government could shelter the incremental cost of qualifying R2000 homes from the municipal mill rate as well as providing a rebate on municipal development permit fees for homes built up to the 2000 standards.

So I think all that the Pembina Institute is saying is that there are actions that the government can take that would protect consumers, because the buildings that they were going to be responsible for paying heating costs on were standards such that those costs would automatically be less than they might otherwise be were less efficient construction methods used.

They also suggested that there be a retrofit of buildings, and this is something that our critic for Environment has spoken to a number of times and tried to make the government understand how important it is that there be encouragement for Albertans to retrofit. I think the suggestion was that there be loans available to families to retrofit their homes in order to make them more energy efficient. There again I think the notion is that there have to be financial incentives for builders and for homeowners to make their homes more energy efficient, to improve them, and with modest, I think, input from government. The suggestion has been that it be with interest free loans or low-interest loans and that there be a fund established so that that kind of money would be available.

They've also suggested that the government should work with postsecondary and vocational institutions and colleges to strengthen the training for building trades, contractors, and other professionals in the energy efficiency design, construction technique, and retrofit. So again a number of suggestions that would help the consumer and things that we think the government should have acted upon, if not before, at least in concert with legislation like we have before us on Bill 19.

4:20

Just in conclusion, Mr. Speaker, we think that the amendment has to be supported for a number of reasons. First, our fear is that it's being rushed through the Legislature too quickly. When we find examples where the government members and particularly government ministers don't understand the legislation, we're fearful that there's more in the legislation that may be damaging and may in the long run hurt Albertans. I think it's unfortunate that we have to have this go through the House so quickly. We think it's being unreasonably rushed through the Assembly. We think that it doesn't have accompanying it the kinds of programs that would help consumers and those people that are going to have to be making some pretty serious decisions that involve them and will commit them financially without really having full knowledge of what they're undertaking and that, again, there hasn't been the attention to consumer protection and consumer programming that bills such as Bill 19 really demand. I guess that the overwhelming concern is that it's not carefully thought-through legislation and that Albertans may in the long run be hurt.

With that, I'll conclude. Thank you, Mr. Speaker.

[The voice vote indicated that the motion on the amendment lost]

[Several members rose calling for a division. The division bell was rung at 4:22 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:

Bonner Massey Pannu
Carlson

Against the motion:

Amery Graydon Marz

Boutlier	Griffiths	Maskell
Broda	Haley	McClellan
Calahasen	Hancock	Nelson
Cardinal	Hlady	Oberg
Coutts	Hutton	Ouellette
DeLong	Jablonski	Pham
Doerksen	Jacobs	Rathgeber
Dunford	Klapstein	Smith
Fritz	Knight	VanderBurg
Gordon	Kryczka	Woloshyn
Goudreau	Magnus	Yankowsky
Graham	Mar	

Totals: For – 4 Against – 38

[Motion on amendment lost]

The Deputy Speaker: The hon. Member for Edmonton-Glengarry.

Mr. Bonner: Yes. Thank you, Mr. Speaker. I would also like to take this opportunity to add a few more comments to Bill 19, the Gas Utilities Statutes Amendment Act, 2003.

Of course, this bill is twofold, Mr. Speaker. Firstly, it is to align the natural gas retail marketplace with the electricity marketplace so that one energy retailer may market electricity and natural gas simultaneously. Of course, the second object of this bill is that it will open up the natural gas marketplace in an attempt to attract more retail competition. In other words, Bill 19 will further the deregulation of the natural gas marketplace.

[The Speaker in the chair]

I did notice that when he introduced the bill, the hon. Member for Innisfail-Sylvan Lake stated that Bill 19 will improve the ability of about 900,000 natural gas customers served by the major utility companies to buy natural gas from the supplier of their choice. Well, of course, we think that is certainly a good part of the bill, that choice is certainly something that Albertans enjoy and something that perhaps they want. But, as well, in this choice, Mr. Speaker, they want a competitive marketplace and a competitive marketplace where we will see the best possible price for our consumers. I don't see in reading Bill 19 where the consumer here in the province is going to be looking at lower gas prices.

Now, then, by way of background when we look at the history of gas utilities in the province, customer choice or the ability for customers to purchase natural gas from the provider of their choice has been available to large industrial natural gas customers in Alberta since the late 1970s and to small industrial consumers since 1998 and again to most residential consumers since 1996.

Currently customers who have chosen not to sign with a retailer pay a spot rate based on the monthly market price of natural gas. For example, Mr. Speaker, most Edmonton residents pay the monthly ATCO Gas price that is based on the market price and regulated by the Alberta Energy and Utilities Board. About 40,000 residential and commercial customers have chosen to sign a contract with a retailer for natural gas. Currently, signing a contract is one of the only ways for consumers to receive stable monthly bills.

Of course, this is essential when we look at business in the province and certainly essential for those people who are on fixed incomes so that they will be able to get away from these soaring prices that we currently are seeing. I would suspect that if we were to poll the members of this Assembly, many of the calls, probably the majority of calls, that they get regarding the high price of gas that

we have experienced this winter would come from seniors who are on fixed incomes and seniors who had planned their retirement and planned it well, and certainly never, never did they ever expect to see prices fluctuate and their bills skyrocket as they have so that there were advantages for those people to sign a contract.

Now, as well, Mr. Speaker, when we look at businesses, they, again, want to know what their costs are. The landlord in the building that I'm in was expressing his displeasure over a building that they recently purchased where since last July he has been trying to get his electricity bill straightened out. Just after the new year he finally got a bill for \$50,000, and certainly he would have much preferred that this billing irregularity could have been straightened out months ago so that he would be able to pay a set fee per month as we moved along.

As it now stands, only natural gas utility companies can provide a regulated supply of natural gas. The changes proposed in this legislation will allow for the creation of a default supply provider. A default supply provider is any company that chooses to provide gas supply service at a rate regulated by the Energy and Utilities Board. The regulated rates proposed under this legislation will be based on the flow-through price of natural gas just as they are currently. Currently retailers must provide separate bills for electricity and natural gas. If you were one of the few Albertans who receives both electricity and natural gas from EPCOR, you would receive two separate bills and it would probably be on two separate billing cycles.

4:40

This legislation would allow the retailer to provide a single utility bill for both. Additionally, this legislation will allow retailers to provide a single utility bill for gas supply and delivery costs. Currently they both are billed separately. There will be a cost associated with combining these two billing systems together. This legislation, Mr. Speaker, will move Albertans toward a more deregulated energy marketplace and require Albertans to sign a contract in order to receive stable bills.

Now, then, I certainly will not be supporting this legislation. One of the reasons that I will not support this legislation is it proposes some of the same changes to the natural gas marketplace that Bill 3 proposes to the electricity marketplace. The convergence of the electricity and natural gas markets does not guarantee that more retailers will come to Alberta. It simply opens up the possibility that more retailers may want to come to Alberta. This means that the changes proposed in Bill 19 will not automatically make things better for consumers, and of course that's what we want to look at: lower prices for consumers. Additionally, there's no guarantee that more competition will bring lower heating bills. Retailers will only come to Alberta if there is a possibility of making a profit. It is in retailers' best interests to keep the prices and therefore the profit margins as high as possible. So I will not be able to support this legislation.

At this time I would like to move an amendment to Bill 19, and this is under the name of the hon. Member for Edmonton-Ellerslie. Perhaps, Mr. Speaker, with your permission I could read the amendment while it's being distributed. Under this the hon. Member for Edmonton-Ellerslie moves that the motion for third reading of Bill 19, the Gas Utilities Statutes Amendment Act, 2003, be amended by deleting all the words after the word "that" and substituting the following: "Bill 19, Gas Utilities Statutes Amendment Act, 2003, be not now read a third time but that it be read a third time this day six months hence."

The Speaker: The hon. member may continue.

Mr. Bonner: Thank you, Mr. Speaker. Certainly, Bill 19 is another piece of the puzzle in the delivery of electricity and gas to Albertans. Again, those are two very essential types of energy that we require in this province. Again, when we look at the amount of debate that has occurred in this Assembly on pieces of legislation which will impact consumers, whether they be business or residential or small consumers, in this province – this legislation will have a huge, huge impact. So in speaking to the amendment that we postpone the passing of this legislation for six months, I think it is in the best interests of all Albertans.

It has been an extremely quick process as this bill has been pushed through the Assembly at a record pace, and it certainly doesn't give the members of this Assembly an opportunity to get back to their constituencies. It certainly doesn't give them the opportunity to get input from all stakeholders here in the province. It doesn't give us the opportunity to examine this bill to see if there are improvements that can be made. Certainly, an amendment such as this would allow a lot more consultation. It would allow all the people in this province to have a say in this very important legislation. Mr. Speaker, I would certainly want to encourage all members to vote for this amendment.

I think, as well, that this amendment here would also allow all members that haven't had an opportunity to speak to this amendment to do so six months down the road, and of course they would certainly have the opportunity, as we said, to research, they would have an opportunity to sit back and look at what all has been presented in debate to this point, and they would have the opportunity to discuss this with their constituents in the coffee shops or on the golf course or wherever during the summer. I think that by following this procedure and by following this amendment, Bill 19 would become a much better piece of legislation, and it would be a piece of legislation that perhaps might even be amended so that we would not only be looking at choice for Alberta consumers, but we'd also be looking at the best possible price.

So with those comments, Mr. Speaker, I will take my seat and certainly look forward to debate by all members of this Assembly on this very important amendment. Thank you.

The Speaker: The hon. Member for Edmonton-Strathcona on the amendment.

Dr. Pannu: Thank you, Mr. Speaker. I rise to speak on this amendment before the House that's been presented to the House by the hon. Member for Edmonton-Glengarry on behalf of the hon. Member for Edmonton-Ellerslie. The amendment's intent is clearly to see if the House would decide to hoist this bill for the next six months. That certainly will purchase members of this Assembly valuable time to take an extensive look at the consequences of this bill for consumers, for the market structure, for examining some embedded assumptions in this bill which would suggest that if this bill is passed, the volatility in the market, the instability, the spiking of prices, that there's a solution to all of those things in this bill.

There has been, obviously, some debate in this House on whether or not that is what will result if we pass this bill today, and there have been comments in the media, serious analysis given by consumers groups, Alberta Rural Utilities Association, and many other concerned groups. With the exception of the Minister of Energy and some companies – namely, the new company that's being invited by the minister to come to this province at whatever cost, Direct Energy – with the exception of these parties and the government of course, most other Albertans and organizations in Alberta have expressed very serious concerns about not only the unintended consequences of this further deregulation but the

negative consequences that can be foreseen quite clearly from careful examination of the bill.

4:50

This bill will neither lead to protection of consumers from price hikes and ongoing rapidly increasing costs to them, heating costs particularly for households and small businesses, but it will also not clarify matters from the point of view of the consumers and in fact will increase confusion among ordinary consumers of natural gas. There's no doubt that all parties agree that this bill if passed would be highly consequential. The question is: what will be the consequences? And if the consequences are primarily negative for the consumers, then who will pay for them? And if it is going to increase the costs of heating our homes and our schools and our business premises and our municipal town halls and city halls, then can we justify proceeding with it at this stage given that there are such deep differences among groups, institutions, individuals, parties with respect to the consequences of this? Not only will the consequences be different for different groups; they also are going to be highly negative as perceived at least by the vast majority of consumers in whose name this bill is being proceeded with.

So this amendment, Mr. Speaker, will help in providing more time for further serious thought by the government side, by the Minister of Energy. He certainly will have the benefit of further public discourse on this. He may even change his mind. I never assume that the minister is impervious to good, sane, sensible, wise advice from Albertans. After all, this Legislature is about reflecting and embodying the wishes of Albertans in our legislation and the policies that follow from the legislation which undergirds those policies. So the minister will benefit. We will learn from each other. Consumers, REAs, ARUA, which is the Alberta Rural Utilities Association – there are six or seven organizations that are members of that – will all have further opportunity to influence the minister and the government with respect to what should be in this bill and what should not be and what the primary purposes of the bill should be.

It seems that at the moment the bill in its present form does no more than promise a new market structure for our natural gas without explicitly expressing the social purpose which should be at the centre of this bill, which is to reduce costs, to reduce uncertainty and volatility so that Albertans can benefit from not only stabilized prices, smoothing out spikes in pricing, but also can be assured that given that they are the owners collectively of this resource, which is as important to us almost as water is in this cold climate, they will pay less than perhaps other jurisdictions. There's nothing so sacred about markets that we shouldn't have the courage and the will to say that regardless of how markets work, we are going to protect the owners of this resource from the unpredictability and the volatility of the market, which is in part to be explained not simply by demand and supply but also by politics, also by speculation, also by big corporate players who are present in the market to distort the market from operating as a truly free market.

It's a myth that modern markets are free markets. They're not, and deregulation is not the way anymore to make them free so they will work as a pure market. Deregulation, in fact, empowers the already very powerful few players to further be able to manipulate the market to their advantage to the disadvantage and at the expense of the small, ordinary, family-based household consumers.

Mr. Speaker, if the intent of the bill is really to serve appropriately and seriously the long-term interests of Alberta consumers – and that interest has at the core of it stable and low costs for heating and for running their business – then this kind of contrived competition scheme as represented in this bill is not the answer to it. That's exactly what we have heard, as I said, from all kinds of organiza-

tions, and media columnists have also jumped in to draw attention to the flaws in this bill.

So this amendment, Mr. Speaker, is a good amendment in that it recognizes that there is a lack of consensus on the consequences of this bill, on the appropriateness of the provisions in different sections of this bill, and on the purposes of the bill. Given that there is such widespread disagreement and therefore absence of consensus with respect to this bill by the very people who'll be affected by this bill, does it not make sense, then, to say that we are going to give people who'll be affected by this bill more time so that they can engage in further public debate and expert analysis for their respective memberships and clientele? REAs and Alberta Rural Utilities Association, the Consumers' Association and other groups come to mind here. Small business organizations are very concerned about their growing costs all the time. There are upward pressures because of increasing rates of inflation. Already they've been hit by electricity cost hikes, and this bill will make their business life certainly more difficult, Mr. Speaker, because this bill if passed will translate again into a substantial increase in their costs related to heating or other business activities and processes which depend on the use of natural gas as an appropriate form of energy.

5:00

So, Mr. Speaker, why is it, then, not really a reasonable thing to do to allow ourselves and all Albertans – and they have the right to expect this from us – an extension of six months for this debate to occur, for the analysis to happen, for the natural gas markets to settle down perhaps? As the members on the government side have been suggesting, as the temperatures improve and we move out of winter and into spring and summer, somehow the natural gas prices are going to come crashing down. If that is indeed what happens – and we have to wait to see if it happens – then maybe there'll be more people who swing to the kinds of policies that this government is opting for and that this Bill 19 will allow this government to proceed with.

This assumption that somehow natural gas prices are directly related to the seasonal fluctuation in temperatures I think needs to be tested carefully. We have seen that deregulation of electricity and natural gas over the last few years has not delivered on that promise. So let's wait and carefully study whether or not this assumption that's being sold as fact is in fact something that's supported by the natural gas markets and the prices that are produced over the next six months.

This amendment is very opportune, Mr. Speaker. It comes at a time when the weather is changing, the temperature is warming up, and we should come back to it in six months to look at it to see if we want to proceed with it.

Thank you, Mr. Speaker.

The Speaker: The hon. Member for Edmonton-Mill Woods on the amendment.

Dr. Massey: Yes, on the amendment, Mr. Speaker. Of course, the purpose of the hoist amendment is to kill the bill, to move consideration of it six months hence, which would be of course when the Legislature will likely not be sitting, and in fact historically that's where the hoist amendment comes from because the legislative sessions at the time lasted less than that. There used to also be a three-month hoist that was used in the latter part of sessions to prevent consideration of a bill. So that's what the intent is of the motion. We want to prevent the bill from coming to a vote in the House and being passed by the Legislature.

We want that for a number of reasons. The first is some of the

premises that underlie the bill, and we have serious questions about them. One of the premises is that the bill provides for consumer choice. The question that keeps rising and people keep asking is: who wants it?

If you go back a number of years, we have grown to expect that our public service utilities would be in place, that they would provide low-cost and reasonable service for things that are pretty basic to our lives: water, natural gas, electricity, even telephone service. I think we were happy with the kind of service that was being delivered. In this climate, as has been mentioned, certainly heating is crucial, and it's a service that we believe is a public service, and a public utility best handles that service to customers and consumers. So in the province we had grown used to having reliable basic services without the whole notion of consumer choice, and again the question comes back: "Who is pushing for consumer choice? Where has this come from?"

The movement first started, as we know, south of the border, the push there in a number of states to deregulate and to try to bring a competitive market to the delivery of electricity and natural gas, and that movement has moved north and particularly into the province of Alberta and partly, I understand, into Ontario. Again, it's predicated on political and economic beliefs in the operation of a free enterprise system and the role that the marketplace plays in that system. It attributes to the free market system much more than I think was ever intended.

So the whole notion of having consumer choice hasn't come from Albertans who have risen up and said: look; we want free market choice. It has come from this government and seems to be consistent with the philosophical beliefs that have guided many of the other pieces of legislation that we've seen before us, Mr. Speaker.

A second premise of the bill is that if we can just keep continuing and if we can just keep reshaping and if we can just keep adding more rules and more regulations, we're eventually going to get deregulation to work, that you can keep tinkering with it and if you tinker with it long enough, eventually something good will happen. I don't believe that that's the way Albertans want their utilities dealt with. What we have seen with the kind of tinkering that has gone on is that higher prices are the order of the day. There's no guarantee in this legislation or anything else that the government has put forward that there's going to be anything else but higher prices.

I was looking at some of the debate in *Hansard* in terms of how dramatically those prices have increased over the last number of years with respect to natural gas. It's really been quite astronomical. The days when we were looking at \$1.65 for gas compared to what we're at now, \$8 and some odd cents, are long gone. The reason for that in part, not totally but in part, has been because of the government's deregulation efforts.

One of the other things that Albertans have come to expect is that they will be the beneficiaries of the resources that they enjoy, and again I read *Hansard*, and some of the government members have argued that they are the beneficiaries. They receive rebates. We benefit because of the royalties that are paid. But in addition to those two things, I think Albertans have expected that because we're sitting on top of the resource, their energy bills will reflect that and their ownership of the resource.

5:10

A third premise that the bill rests on is that by passing this bill, we'll bring more retailers into the province and that somehow or other this is going to automatically lower the price and benefit consumers. I think that there are some serious questions about whether that's true. In fact, I think there's some real concern that what this does is open the consumer to competition with some

retailers that may not be working in their best interests.

I think, Mr. Speaker, that in supporting the amendment that the bill be read six months hence – my own personal experience with a gas retailer who appeared at the door, and the question to me was: I want to see your gas bill. I have to admit that I was somewhat taken aback that someone would appear at the door and ask to see the gas bill. I said: may I ask who you are, and why? His response was: I want to see your gas bill. He became more and more aggressive until I finally closed the door and just didn't deal with it any further. I still am somewhat surprised that that actually occurred.

Again, we're fortunate in this Legislature that we're dealing with the legislation and I think are somewhat more aware than the general public in terms of the deregulation and what it means in terms of competition and what it means to have retailers seeking your business. I was very much surprised. One of our major concerns we've had with this and with Bill 3 – I've said it before and I'll say it again – is that consumers have to be protected before the deregulation of the marketplace proceeds any further. We don't see the protection of consumers in the bill that we believe is necessary before we would pass a bill like Bill 19.

Many of the arguments that can be made against Bill 19 are similar to those that can be made against Bill 3. There's no guarantee that we're going to get lower bills. There's just this blind faith that deregulation somehow or other is going to work. We think it's going to do nothing but generate a huge amount of confusion in consumers' minds and that this bill, when it's passed, will only add to that confusion.

I think I'd also give an example of how this has happened, for instance, with the telephone service, the selling of long-distance telephone service to customers. If you look at some of the information coming out, people's feelings about the competition for telephone service are really very negative. Many of them frankly admit that they're confused by the kind of advertising that goes on. Many of them frankly say that they would just like to have the rate to pay the bill. They don't understand the different options that are being offered by retailers, and they find the whole business of trying to buy telephone service from a variety of retailers to be confusing and something that they really don't want to engage in.

I think that exactly the same kind of thing is going to happen in terms of electricity and natural gas, that consumers are going to be equally confused. It's something that we've heard time and time again, that people don't want and resent in many cases being forced into being involved in it. Again, as I said before, it's not a demand that has come from Albertans, that this kind of legislation be passed or that the government move further down the road with respect to deregulation. In fact, we hear the lament time and time again: "Things were going well. Five, six, 10 years ago we had good service, reliable service, affordable service. What's happened? Why have we lost that?"

So for all those reasons, Mr. Speaker, I believe that the amendment, that this "be not now read a third time but . . . six months hence," makes sense, and I hope that members of the Assembly will agree. Thank you very much.

The Speaker: The hon. Member for Edmonton-Ellerslie on the amendment.

Ms Carlson: Thank you, Mr. Speaker. I'm happy to stand and lend my support to this particular hoist amendment. It looks like I'm going to be the last speaker on this bill. [some applause] I hear that some members of the Assembly are very pleased with that. However, there are a number of issues that have yet to be discussed about this bill, and that's why we think a hoist, where this bill is read six

months from now, is such a good idea. In fact, there are a whole bunch of programs that this government could be supporting that they haven't heard about yet even one time, and it seems to take more than one time for them to hear about them and actually understand them.

We also haven't had an opportunity to talk about demand-side management to any great extent, Mr. Speaker. That's really an important issue for us to have talked about because there is no doubt that one of the clear lessons we've heard about energy efficiency after more than a quarter of a century of performance in North America is that it's very simple. It's much cheaper to save energy through efficiency gains than it is to build and operate new plants, and energy efficiency has proven that total energy demand can be lowered while delivering comparable or even enhanced services.

We haven't spent very much time talking about that. Why? Because this government is very much in support of a former Prime Minister of Britain, Clement Attlee, who subscribed to the theory – and this is a direct quote from him: “Democracy means government by discussion, but it is only effective if you can stop people talking.” This is something that this government strongly supports. We see it with time allocation. We see it with their muzzling . . . [interjection] Thank you very much, Member for Calgary-Mountain View; I appreciate the support.

This is a government who doesn't even let their own backbenchers talk. We've seen a couple of them. Grande Prairie-Wapiti has been on his feet several times during this whole debate, and we're very happy to see that participation, but as a general rule the members in

this Assembly that support the government's side tell us time after time that they have their discussions in their caucus and their standing policy committees and not in the open on the floor of the Legislature. Also, by not standing on their feet, they support this particular quote too.

Now, for people who know anything about Clement Attlee, he was the Prime Minister of Britain right after the defeat of Winston Churchill, and by subscribing to this particular philosophy, he was a very short-lived Prime Minister, soon to become the Leader of the Opposition, soon to be totally out of office. So I could wish that that would happen to this current government if they continue to subscribe to this particular philosophy, where it's most effective for their type of democracy if people stop talking.

With that, Mr. Speaker, I will call for the question on this particular amendment.

[Motion on amendment lost]

[Motion carried; Bill 19 read a third time]

The Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. In light of the hour I'd move that we adjourn until 8 p.m.

[Motion carried; the Assembly adjourned at 5:19 p.m.]

