

(The electronic version of the following Journal
of the Legislative Assembly is for information purposes only.
The printed version remains the official version.)

No. 3

Wednesday, November 26, 1997.

8.30 o'clock a.m.

Prayers.

Mr. Speaker introduced the Chaplain for the session, Rev. Stanislas Paulin, pastor of Sainte-Anne-des-Pays-Bas.

Mr. Speaker introduced the pages for the session: Trevor Hudson, Richibucto; Marlene Floyd, Antigonish; Kim Jeffries, Fredericton; Heather Johnston, Saint John; Lisa Keillor, Fredericton; Kurt Peacock, Westfield; Robin True, Jemseg; Danielle Vautour, Campbellton; Todd Williams, Fredericton.

Hon. Mr. Frenette paid tribute to several former members of the Legislative Assembly, now deceased:

William Cockburn, Progressive Conservative member for Charlotte (1967-1974) and St. Stephen-Milltown (1974-1982).

Patrick Guérette, Liberal member for the constituency of Restigouche (1960-1967).

Fred McCain, Progressive Conservative member for Carleton (1952-1970) and member of the Parliament of Canada for Carleton-Charlotte (1972-1988).

Gilbert Robichaud, Liberal member for Moncton (1960-1967).

Dr. Stephen Weyman, Liberal member for the City of Saint John (1966-1967).

Standing Committee on Crown Corporations

Mr. Kavanaugh, from the Standing Committee on Crown Corporations, presented the First Report of the Standing Committee on Crown Corporations for the session which was read and is as follows:

November 26, 1997.

To the Honourable
The Legislative Assembly of
The Province of New Brunswick

Mr. Speaker:

I have the honour to submit the First Report of the Standing Committee on Crown Corporations for the Third Session of the Fifty-third Legislature. This Report pertains to the Committee's review of the *New Brunswick Power Corporation Business Plan 1997-2002*.

Your Committee would like to thank officials of the New Brunswick Power Corporation for appearing before the Committee and for their cooperation throughout the hearings. Your Committee expresses their appreciation to officials in the Department of Natural Resources and Energy for their valuable assistance and expertise. Your Committee would also like to thank those individuals and organizations that made presentations during the public hearings or submitted written briefs.

I also wish to express my appreciation to the members of the Committee for their contribution in carrying out this review.

And your Committee begs leave to make a further report.

The full Report of the committee as presented follows:

**FIRST REPORT OF THE STANDING COMMITTEE
ON CROWN CORPORATIONS**

INTRODUCTION

The *New Brunswick Power Corporation Business Plan 1997-2002* is the Corporation's fourth Business Plan. It is the third time that the utility's Plan has been subject to review by the Standing Committee on Crown Corporations.

In general, the 1997-2002 NB Power Business Plan was found to be a more concise and focused document than in previous years. Appropriately, it contains less Corporation background and history, and places more emphasis on preparing for major changes occurring within the industry. The Plan contains distinct sections for each of the four Business Units, thereby reflecting the utility's revised corporate structure.

Several of the recommendations made by the Committee in 1996 were incorporated into the new Business Plan and the key issues facing the Corporation are reasonably well covered. Still, some areas require further clarification in order to produce a more complete plan. It is recognized that many of the assumptions are dynamic in nature and subject to change, even over short time intervals.

ACKNOWLEDGEMENTS

The Committee would like to thank officials of NB Power for appearing before the Committee and responding to both oral and written questions. The willingness of staff at Point Lepreau to provide Committee members with the opportunity to participate in a thorough tour of the plant is gratefully acknowledged. The Committee is thankful for the expertise provided by officials from the Atomic Energy Control Board and would like to express its appreciation to presenters appearing at the public hearings for their valuable input. Finally, the Committee is indebted to officials from the Department of Natural Resources for their considerable assistance and support throughout the review process.

NB POWER AND PUBLIC PRESENTATIONS

As part of the Committee's mandate, hearings were scheduled to provide an opportunity for the general public to appear before the Committee and present their views on the 1997-2002 NB Power Business Plan. Advertisements were placed in provincial newspapers giving notice of the hearings and inviting oral or written comment from interested individuals and organizations. Parties who appeared before the Committee or submitted briefs are listed in Appendix A. Public hearings on the New Brunswick Power Corporation Business Plan 1997-2002 were held in the Legislative Council Chamber in Fredericton on June 24 and 25, 1997.

On May 28 and 29, 1997, NB Power representatives presented information on each of their four Business Units and responded to questions by Committee members. NB Power officials returned before the Committee on August 20, 1997 in response to a request for clarification on specific questions formulated as a result of previous hearings. The Committee met on June 25, July 22 and September 2, 1997 to discuss the submissions received and to prepare this report and recommendations to the House.

A schedule of events leading up to the writing of this report is noted in the following section.

SCHEDULE

The process followed by the Committee in seeking to comprehend NB Power operations and formulate recommendations to the 1997 Plan is, as follows:

1997-2002 NB Power Business Plan filed with Clerk's Office and released to public, May 15, 1997

Presentation of Business Plan by NB Power representatives, pm, May 28, 1997, May 29, 1997

Presentation by:

The International Brotherhood of Electrical Workers, June 24, 1997 (p.m.)

People Against Lepreau II Campaign, June 24, 1997 (p.m.)

Written submission:

NB Division Alliance of Manufacturers & Exporters Canada, June 24, 1997

Presentation by: J.D. Irving Ltd., June 25, 1997 (a.m.)

Dorothy Dawson, June 25, 1997 (a.m.)

Standing Committee working session, June 25, 1997 (p.m.)

Standing Committee tour of Point Lepreau nuclear power plant, July 10, 1997

Consultation with the Atomic Energy Control Board, July 22, 1997 (a.m.)

Standing Committee working session, July 22, 1997 (p.m.)

Questions forwarded to NB Power, July 23, 1997

Written responses received from NB Power, August 18, 1997

Presentation of responses by NB Power, August 20, 1997 (a.m.)

Standing Committee working session, September 2, 1997 (a.m.)

RECOMMENDATIONS

Following are the recommendations made by the Standing Committee on Crown Corporations regarding the 1997-2002 NB Power Business Plan.

Issues which generated the most discussion among committee members and during public hearings were deregulation of NB Power, safety at Point Lepreau and questionable forecast assumptions.

1. Deregulation

NB Power is clearly positioning itself to compete in a deregulated market. Considerable effort was made in the Plan to recognize the impact of deregulation and its potential influence on the future of NB Power. Further detail concerning the full effects of deregulation and competition on NB Power is impractical in the context of this Business Plan, as many of the impacts are unknown at this time. In addition, stakeholder input is required on several social and economic issues. NB Power's position regarding deregulation is expected to become more clearly defined over the next few years.

Presenters expressed divergent positions regarding deregulation of the New Brunswick electrical industry. The International Brotherhood of Electrical Workers maintained that deregulation may result in higher electricity rates to small consumers along with less reliable service. They felt that privatization of NB Power would prove detrimental to customers and the utility workforce. The representative from People Against Lepreau II Campaign expressed concern that deregulation in the United States had negative social and environmental effects. Conversely, Irving Pulp and Paper strongly supported restructuring of the electricity market and expressed the desire for NB Power to provide details on how they propose to handle stranded investment, as soon as possible.

Recommendation #1

The Committee recommends that future Business Plans contain more specific analysis of the benefits and risks associated with deregulation, the expected timeframe and the anticipated magnitude of stranded assets and that this information be periodically provided to the Committee, as details become increasingly available.

2. Consultation

In order to maintain a competitive export position and meet the timing of the Agreement on Internal Trade, it was necessary for NB Power to move quickly to Stage I of deregulation, which is scheduled for implementation in January 1998. Stage I includes open access, cross-territory transmission, and transmission access for New Brunswick producers who wish to sell electricity outside the province. The Committee recognizes that Stage I does not significantly affect utility customers.

Conversely, Stage II will have a substantial effect on all customers. Stage II includes access to New Brunswick customers by electricity producers outside of the province, and open access transmission throughout New Brunswick for any producer within the province. Government agreed to move forward with Stage I, recognizing that consultation is desirable prior to proceeding with Stage II. The Committee recognizes that Stage II deregulation has the potential to significantly impact NB Power's customer base and acknowledges that an informed public debate is fundamental to the process. NB Power is in favour of some form of public consultation pertaining to Stage II. The New Brunswick Division Alliance of Manufacturers & Exporters Canada supported this view in a written submission to the Committee.

An Energy Trade Policy Committee, with staff representatives from Natural Resources and Energy, Economic Development and Tourism, Environment and NB Power, have suggested a two tiered consultation process to occur within the next 12 to 16 months. A discussion document aimed at stimulating stakeholder input is currently in progress.

Recommendation #2

The Committee recommends that, in order to achieve meaningful and effective input, the discussion document on energy trade policy be published in the fall of 1997 and comments invited in order to assess the level of interest and scope of public meetings to be held in early 1998.

3. Timeliness of the Review Process

The 1996-2001 Business Plan was reviewed some months after the tabling of the document in the Legislature. The review of the 1997-2002 Business Plan commenced within two weeks after release of the Plan.

Recommendation #3

The Committee recommends that future NB Power Business Plans continue to be reviewed soon after the Plan is tabled in the Legislative Assembly.

4. Conservative Forecast Assumptions

Past recommendations have advocated that more conservative assumptions be used in NB Power forecast calculations. Although this plan moves in the right direction, there is some concern that projections are still somewhat optimistic. Short-term interest rates, long-term interest rates and load growth values chosen for the financial calculations appeared reasonable. This does not appear to be the case for assumptions used in determining the Canadian dollar, oil prices and nuclear performance. Temporal fluctuations may, in part, account for questionable values selected for these three key economic variables. The following considerations may contribute to overly optimistic forecasts:

In a report released on March 16, 1997, the Conference Board of Canada projected that the Canadian dollar would be valued at \$0.746 over the next 5 years, approximately one cent less than the number used by NB Power. According to the risk analysis (page 18 in the Business Plan), this would result in a \$4.5 million annual decrease in income.

NB Power assumed that bunker C oil prices would average \$US 15/bbl while Natural Resources Canada predicts crude oil to range from \$US 18 to 20/bbl, which is equivalent to \$US 15 to \$US 17/bbl for bunker C. Every \$US 1 /bbl increase in oil price reduces annual income by \$4.0 million.

Finally, the nuclear performance rate used in the Business Plan was 85%. In fact, the average performance of Point Lepreau between 1990 and 1996 was 82%. Based on the sensitivity analysis, each 1% change in performance has a \$1.5 million effect on net income such that a 3% decrease in performance would reduce net income by \$4.5 million per year.

Although assumptions were more conservative than in the past and will be adjusted in subsequent Business Plans, variables are consistently biased in favour of NB Power's bottom line. This indicates that greater caution should be exercised to ensure that volatile variables are balanced with conservative assumptions. A number of the presenters, including Julie Dingwell from the People Against Lepreau II Campaign and Dorothy Dawson, expressed grave concern over what were considered to be NB Power's unrealistically optimistic predictions.

In future Business Plans, basing calculations on an average value from a variety of sources and presenting the average and range of values would help to account for the fluctuations that occur naturally over a five-year period. Providing references for the assumptions would strengthen the confidence in the values generated. The type of oil used in forecasting (bunker C versus crude) should be specified in the Business Plan so that confusion over oil prices can be minimized. It would be helpful to include a more detailed sensitivity analysis, especially regarding the exchange rate, along with a discussion on the implied impacts of the analysis and their affect on decision making within the utility.

Clarification is required concerning the growth in the in-province sales revenue amounting to 5.7% from 1996-97 to 1997-98 and predicted to be 4.2% from 1997-98 to 1998-99, both rates being significantly greater than in previous years. A portion of this increase can be attributed to rate increases while the remaining is from load growth. In future Business Plans, NB Power should provide a detailed breakdown indicating the annual load growth and contributing factors, including variation in temperature, industrial expansion and other elements. This issue is also addressed in Section 12, which identifies Figures and Tables containing pertinent information in past reports that are not included in the 1997-2002 Plan.

The five-year Plan also predicts a significant increase in operating efficiency as cost remains constant, revenue increases by 6.3% and the cost of purchased power decreases by 45.8%. This implies that more in-province power is produced at no extra cost in operation and maintenance. A summary of results obtained in the four operations, maintenance and administration studies referred to during the presentations should provide sufficient information to chronicle the specific sources of savings.

Recommendation # 4

The Committee recommends that:

A. future Business Plans utilize a more conservative set of values as a base case for all uncontrollable variables;

B. a more detailed breakdown of annual load growth and contributing factors be provided in future Business Plans;

C. a summary of the operation, maintenance and administration study results be made available;

D. the type of oil used in forecasting (bunker C versus crude) be specified in the Business Plan;

E. future Business Plans include a more detailed sensitivity analysis, especially regarding the highly unpredictable exchange rate and the expected consequence of deregulation on market share, along with a discussion on the potential impacts of the analysis and their affect on decision making within the utility.

5. Price Elasticity

It was unclear whether or not price elasticity with respect to wood heating in the residential sector had been included in load forecasts and revenue projections. It was felt that the Harmonized Sales Tax might have a greater negative effect on electricity and oil than on wood.

It is probably unrealistic to ignore the effect which price will have on consumption. Customers will likely counteract higher electricity rates by using less or switching to alternate heating fuels which, in turn, would negatively impact on market share and load forecasts.

Recommendation #5

The Committee recommends that NB Power expand upon the effect of price elasticity in the residential sector and include these findings in future projections.

6. Point Lepreau

The safety issue surrounding Point Lepreau was considered to be one of the more contentious topics pertaining to NB Power's operations. This was precipitated, in large part, by a report on plant safety prepared by the Atomic Energy Control Board. Julie Dingwell of the People Against Lepreau II Campaign and Dorothy Dawson were both outspoken in their concern that production was taking precedence over safety in the nuclear industry. The Committee remains apprehensive with respect to the operational safety and reliability of Point Lepreau.

During the presentations to the Standing Committee, mention was made of three nuclear power studies being conducted. They include a level three World Association of Nuclear Operators (WANO) study, a framework consultants' review (Haegler Bailey Study) and a three-person advisory report. The Committee is pleased that these studies are in progress and that more proactive steps are being taken to ensure safe and reliable operation of Point Lepreau over an extended period of time. It would be advisable to reference the studies in the next Business Plan and to include any salient results along with the time lines anticipated for implementing the recommendations made. These studies should help to substantiate answers to questions concerning the effect of aging on the Point Lepreau capacity factor and the expected life and economic viability of the nuclear facility.

Recommendation #6

The Committee recommends that:

A. by the next Business Plan, NB Power report on progress made in response to the studies of Point Lepreau, and, in particular, provide a synopsis of the Haegler Bailey study and how the results will affect future operations of NB Power, with the full study made available to Committee members;

B. developments on any new initiatives or studies be summarized in future Plans, with full reports made available to the Committee;

C. NB Power make every effort to ensure that the Point Lepreau generating station complies with all of the recommendations and requirements outlined by the AECB.

7. Natural Gas

The issue of natural gas was briefly referred to in the Business Plan and, on page 24, mention was made of an evaluation of the potential power plant projects. An assessment of the impacts of natural gas availability was not included in the Business Plan, or as a separate document. Natural gas will have a significant effect on NB Power in the areas of independent power production, cogeneration and maintaining market share. In addition, natural gas could provide NB Power with the opportunity to diversify into new domains.

Recommendation #7

The Committee recommends that future Business Plan should more fully address the implications of natural gas availability, including NB Power's use of gas, the effect it would have on electricity demand, NB Power's potential role in the industry and to what extent these options have been pursued.

8. Planned Differential Rate Adjustments

NB Power indicated that traditional cost of service analyses would not be relevant in the anticipated competitive electricity market. As a result of presentations made by representatives of NB Power, it was understood that only Stage I (wheeling across and wheeling out) would be in effect over the time frame of this Business Plan. Rate classes would, therefore, continue to be relevant for at least the next 5 years.

Although carrying out a complete analysis may be inappropriate, some information would be useful and relatively easy for NB Power to provide. In particular, NB Power could furnish the cost allocation process and anticipated rate increases by class, in addition to an average for all rate classes. Comparisons of revenue to cost ratios and the impact of competition in other jurisdictions could also be provided.

During the presentations, it was suggested that the method by which rates are set in a competitive market is likely to favour larger industrial users over residential customers. The Committee believes that the projected impact of deregulation on utility rates should be included in future Business Plans. Certainly this will be a key issue for stakeholder input on deregulation and competition.

Recommendation #8

The Committee recommends that:

A. NB Power provide a comparison of revenue to costs ratios and the effect of competition in other jurisdictions along with the projected impact of deregulation on utility rates;

B. NB Power furnish the methodology used in the cost allocation process and the anticipated rate increase for each class.

9. Rate Options

An investigation into time of use rate options was referred to with no mention of study results or conclusions drawn.

Recommendation #9

The Committee recommends that NB Power provide summary results of the analysis on rate options in the next Business Plan.

10. Environmental Report

NB Power was successful in preparing its first public annual environmental report. Unfortunately it was tabled on the day that presentations were being made, leaving insufficient time for adequate scrutiny of the document.

Recommendation #10

The Committee recommends that future environmental reports be made available at the same time as the Business Plan.

11. Demand Side Management

Generic reference was made to the beneficial nature of peak demand reduction, load factor improvement and increasing energy sales during off-peak periods. It is suggested that the analysis be

provided or strategy outlined to indicate that serious consideration is being given to incorporating these tactics or other forms of demand side management into NB Power's operations. Customer service and market retention are just two of the demand side management benefits which NB Power should be concerned with.

NB Power should not only be considering demand side management for their customers but for their own facilities as well. NB Power is eligible to become involved in the Provincial Buildings Initiative and should be encouraged to do so. The program has proven economic and environmental benefits as well as providing the ideal opportunity to lead by example.

In their response to previous recommendations it was difficult to determine if NB Power considered energy management services as a means of increasing competitiveness by providing customers with a service, or as a source of revenue.

Recommendation #11

The Committee recommends that:

A. NB Power retain demand side management activities with increased emphasis placed on encouraging peak demand reduction and increasing off-peak sales;

B. efforts be made to implement a comprehensive program to improve energy efficiency and reduce costs in NB Power buildings.

12. Comparison of Business Plans

It is recognized that the changed structure of NB Power warranted a new Business Plan format. This format logically separates business units and, it is assumed, will carry through to future Business Plans. However, a number of Tables and Figures considered useful for comparison purposes were presented in the 1996-2001 Plan, but not included in the 1997-2002 Plan. In particular, Figures 14 and 15, and Table 10 in the previous Business Plan were thought to contain useful load forecast information.

Recommendation #12

The Committee recommends that:

A. future Business Plans include updates to the following Figures and Tables which were prepared for the 1996-2001 Plan;

1996-2001 Plan

Page Number Table/Figure

41 Figure 14

41 Figure 15

42 Table 10

44 Table 11

45 Table 12

B. Generating Station Data Chart on page 30 of the 1997-2002 Business Plan be expanded to include a column indicating planned retirement date for each of the plants.

13. Nuclear Unit Decommissioning and Irradiated Fuel Management

NB Power discussed with Committee the issue of deferred liability versus the establishment of a funded trust to finance nuclear unit decommissioning and irradiated fuel management. A concern arises over whether the argument for maintaining a deferred liability account can be considered feasible in a competitive, deregulated market.

Recommendation #13:

The Committee recommends that NB Power comment on the method by which nuclear unit decommissioning and irradiated fuel management will be funded in a deregulated industry.

14. Public Reporting

Dorothy Dawson voiced concern over the lack of response by the public to participate in the public hearings. She suggested this could be partly due to the means by which the event was advertised, the

location of the hearings or the notion that issues raised were not satisfactorily dealt with. The aspect of non-response to concerns presented by public interveners in the past was also raised by the People Against Lepreau II Campaign.

As NB Power prepares for a more open and competitive market, the need to treat data in a confidential manner will increase. During presentations to the Committee, the question of proprietary information was raised.

Recommendation #14

The Committee recommends that NB Power prepare a proposal for review by the Committee, that outlines how NB Power proposes to ensure the continuation of public reporting on financial and operational information.

SUMMARY LIST OF RECOMMENDATIONS

1. The Committee recommends that future Business Plans contain more specific analysis of the benefits and risks associated with deregulation, the expected timeframe and the anticipated magnitude of stranded assets and that this information be periodically provided to the Committee, as details become increasingly available.

2. The Committee recommends that, in order to achieve meaningful and effective input, the discussion document on energy trade policy be published in the fall of 1997 and comments invited in order to assess the level of interest and scope of public meetings to be held in early 1998.

3. The Committee recommends that future NB Power Business Plans continue to be reviewed soon after the Plan is tabled in the Legislative Assembly.

4. The Committee recommends that:

A. future business plans utilize a more conservative set of values as a base case for all uncontrollable variables;

B. a more detailed breakdown of annual load growth and contributing factors be provided in future business plans;

C. a summary of the operation, maintenance and administration study results be made available.

D. the type of oil used in forecasting (bunker C versus crude) be specified in the Business Plan;

E. future Business Plans include a more detailed sensitivity analysis, especially regarding the highly unpredictable exchange rate and the expected consequence of deregulation on market share, along with a discussion on the potential impacts of the analysis and their affect on decision making within the utility.

5. The Committee recommends that NB Power expand upon the effect of price elasticity in the residential sector and include these findings in future projections.

6. The Committee recommends that:

A. by the next Business Plan, NB Power report on progress made in response to the studies of Point Lepreau, and, in particular, provide a synopsis of the Haegler Bailey study and how the results will affect future operations of NB Power, with the full study made available to Committee members;

B. developments on any new initiatives or studies be summarized in future Plans, with full reports made available to the Committee;

C. NB Power make every effort to ensure that the Point Lepreau generating station complies with all of the recommendations and requirements outlined by the AECB.

7. The Committee recommends that future Business Plan should more fully address the implications of natural gas availability, including NB Power's use of gas, the effect it would have on electricity demand, NB Power's potential role in the industry and to what extent these options have been pursued.

8. The Committee recommends that:

A. NB Power provide a comparison of revenue to costs ratios and the effect of competition in other jurisdictions along with the projected impact of deregulation on utility rates;

B. NB Power furnish the methodology used in the cost allocation process and the anticipated rate increase for each class.

9. The Committee recommends that NB Power provide summary results of the analysis on rate options in the next Business Plan.

10. The Committee recommends that future environmental reports be made available at the same time as the Business Plan.

11. The Committee recommends that:

A. NB Power retain demand side management activities with increased emphasis placed on encouraging peak demand reduction and increasing off-peak sales;

B. efforts be made to implement a comprehensive program to improve energy efficiency and reduce costs in NB Power buildings.

12. The Committee recommends that:

A. future Business Plans include updates to the following Figures and Tables which were prepared for the 1996-2001 Plan;

1996-2001 Plan

Page Number Table/Figure

41 Figure 14

41 Figure 15

42 Table 10

44 Table 11

45 Table 12

B. Generating Station Data Chart on page 30 of the 1997-2002 Business Plan be expanded to include a column indicating planned retirement date for each of the plants.

13. The Committee recommends that NB Power comment on the method by which nuclear unit decommissioning and irradiated fuel management will be funded in a deregulated industry.

14. The Committee recommends that NB Power prepare a proposal for review by the Committee, that outlines how NB Power proposes to ensure the continuation of public reporting on financial and operational information.

Ordered that the report be received, that leave be granted, and the Committee continued.

Documents Tabled

Pursuant to subsection 16(2) of the *Auditor General Act*, Mr. Speaker laid upon the table of the House the Auditor's Report on the Accounts of the Auditor General of the Province of New Brunswick for the fiscal year ended 31 March 1997.

Pursuant to subsection 97(2) of the *Elections Act*, Mr. Speaker laid upon the table of the House, the Report of the Chief Electoral Officer - Election Victoria-Tobique, June 23, 1997.

During Statements by Members, unanimous consent was granted for the House to revert to the Order of Tabling of Documents and Mr. Mockler tabled a pamphlet entitled "The Bernard Lord Team News."

It was agreed by unanimous consent to extend the period for Oral Questions.

Message from Her Honour the Lieutenant-Governor

Hon. Mr. Blanchard, Minister of Finance, delivered to Mr. Speaker a Message from Her Honour, the Lieutenant-Governor, and the said Message was read by Mr. Speaker, all the Members standing, and is as follows:

Fredericton, N.B.

November 26, 1997.

Her Honour the Lieutenant-Governor transmits a Bill entitled *Fredericton - Moncton Highway Financing Act*, and having been informed of the subject matter of the Bill, recommends the same to the House.

(Sgd. :) Marilyn Trenholme Counsell,

Lieutenant-Governor.

Bills Introduced

The following Bill was introduced and read the first time:

By Hon. Mr. Blanchard,

Bill 2, *Fredericton - Moncton Highway Financing Act*.

Hon. Mrs. Barry moved that the following Bill be now read a first time:

Bill 3, *An Act to Amend the Police Act*.

Mr. Robichaud rose on a Point of Order, his point of order being that a copy of the minister's written remarks on first reading be provided to members of the Opposition.

Continuing, Hon. Mr. Tyler having made the request, it was agreed by unanimous consent to defer the second reading of Bills until Friday.

Mr. Speaker put the motion for first reading of Bill 3 and the motion was carried on the following recorded division:

YEAS - 36

Hon. Mr. Lockyer Hon. Mr. Savoie Mr. Steeves

Hon. Mr. Blanchard Hon. Mr. Gay Mr. A. Landry

Hon. Mr. Tyler Hon. Mr. Jamieson Mr. Johnson

Hon. Mr. Graham Mrs. Jarrett Ms. de Ste. Croix

Hon. Mr. Lee Mr. McAdam Mr. Doyle

Hon. Mrs. Barry Hon. Mr. LeBlanc Mr. Olmstead

Hon. Mrs. Breault Hon. Mr. Byrne Mr. DeGrâce

Hon. B. Thériault Hon. Mrs. Kingston Mr. O'Donnell

Hon. Mr. MacIntyre Mr. Allaby Mr. MacDonald

Hon. C. Thériault Mr. Duffie Mr. Devereux

Hon. Mrs. Mersereau Mr. Wilson Mr. MacLeod

Hon. Mrs. Day Mr. Smith Mr. Armstrong

NAYS - 6

Mr. Volpé Mr. Robichaud Ms. Weir

Mr. Sherwood Mr. Mockler Mr. Graham

Accordingly, Bill 3, *An Act to Amend the Police Act*, was read a first time.

The following Bills were introduced and read the first time:

By Hon. Mr. Lockyer,

Bill 4, *An Act to Amend the Companies Act*.

By Hon. Mr. Lee,

Bill 5, *An Act to Amend the Motor Vehicle Act*.

Bill 6, *An Act to Amend the Highway Act*.

Ordered that the said Bills be read a second time on Friday, November 28, 1997.

Notices of Motions

Mr. Mockler, on behalf of Mr. Robichaud, gave Notice of Motion 1 that on Tuesday, December 2, 1997, he would move the following resolution, seconded by Mr. D. Graham:

WHEREAS this government made a commitment to Excellence in Education in the report of its Commission in 1992; and

WHEREAS this Excellence in Education Commission recommended effective steps be taken to strengthen the role and responsibility of school boards in the setting of goals, managing the resources and assessing the achievements of the schools in their communities, as well as to create a closer partnership between schools and the communities they serve; and

WHEREAS this government has ignored this recommendation, abolishing school boards and centralizing all control over education with the minister;

BE IT RESOLVED THAT the Legislative Assembly ask the Department of Education to consider restoring real decision making power over local schools to the communities they serve.

Mr. Mockler, on behalf of Mr. Robichaud, gave Notice of Motion 2 that on Tuesday, December 2, 1997, he would move the following resolution, seconded by Mr. Volpé:

WHEREAS patients in New Brunswick Nursing Homes are currently receiving inadequate care to meet their specific level of needs; and

WHEREAS the allotted hours of care per patient has not kept pace with the increasing demands of patient care;

BE IT RESOLVED THAT the Legislative Assembly call upon the government to consider providing adequate care per nursing home patient to ensure their comfort, health and well-being.

Mr. Mockler gave Notice of Motion 3 that on Thursday, December 4, 1997, he would move the following resolution, seconded by Mr. Sherwood:

WHEREAS this government has repeatedly promised to the people of New Brunswick that bringing an end to poverty in the province would be a high priority; and

WHEREAS the level of poverty in New Brunswick continues to be among the highest in the country and has a devastating impact on the lives of many people in our province;

BE IT RESOLVED THAT the Legislative Assembly call upon the government to honour its commitment by immediately implementing policies to combat poverty throughout New Brunswick.

Mr. Mockler, on behalf of Mr. Robichaud, gave Notice of Motion 4 that on Thursday, December 11, 1997, he would move the following resolution, seconded by Mr. Sherwood:

That an address be presented to Her Honour the Lieutenant-Governor, praying that she cause to be laid upon the table of the House a copy of all memos, letters, correspondence, minutes of meetings, reports, analyses, directives, and statements of policy relating to the use of the RCMP during the

activities of the people of St. Sauveur who were demonstrating against the closure of their school in April and May, 1997.

Mr. Mockler, on behalf of Mr. Robichaud, gave Notice of Motion 5 that on Thursday, December 11, 1997, he would move the following resolution, seconded by Mr. Mockler:

That an address be presented to Her Honour the Lieutenant-Governor, praying that she cause to be laid upon the table of the House the revised "Vital Statistics Summary, New Brunswick", referred to as Table 1 in the Annual Statistical Report 1995 of the Department of Health and Community Services, for the calendar year 1996.

Mr. Mockler, on behalf of Mr. Robichaud, gave Notice of Motion 6 that on Thursday, December 11, 1997, he would move the following resolution, seconded by Mr. D. Graham:

That an address be presented to Her Honour the Lieutenant-Governor, praying that she cause to be laid upon the table of the House the revised "Summary of Vital Statistics by Health Region of Residence, New Brunswick", referred to as Table 2B in the Annual Statistical Report 1995 of the Department of Health and Community Services, for the calendar year 1996.

Mr. Mockler gave Notice of Motion 7 that on Thursday, December 11, 1997, he would move the following resolution, seconded by Mr. Robichaud:

That an address be presented to Her Honour the Lieutenant-Governor, praying that she cause to be laid upon the table of the House the revised "Summary of Vital Statistics by County of Residence, New Brunswick", referred to as Table 2A in the Annual Statistical Report 1995 of the Department of Health and Community Services, for the calendar year 1996.

Mr. Mockler gave Notice of Motion 8 that on Thursday, December 11, 1997, he would move the following resolution, seconded by Mr. D. Graham:

That an address be presented to Her Honour the Lieutenant-Governor, praying that she cause to be laid upon the table of the House a copy of all memos, letters, correspondence, proposals, minutes of meetings, studies, reports, analyses, offers, negotiations, and financial costs relating to the termination of the contract with Blue Cross for the Medical Administration and Technical Services program.

Mr. Mockler gave Notice of Motion 9 that on Thursday, December 11, 1997, he would move the following resolution, seconded by Hon. Mr. Valcourt:

That an address be presented to Her Honour the Lieutenant-Governor, praying that she cause to be laid upon the table of the House the revised "Live Births by Age of Mother and Order of Birth, New Brunswick", referred to as Table 8 in the Annual Statistical Report 1995 of the Department of Health and Community Services, for the calendar year 1996.

Mr. Sherwood gave Notice of Motion 10 that on Thursday, December 11, 1997, he would move the following resolution, seconded by Mr. D. Graham:

That an address be presented to Her Honour the Lieutenant-Governor, praying that she cause to be laid upon the table of the House the revised "Live Births by Age and Marital Status of Mother, New Brunswick", referred to as Table 7 in the Annual Statistical Report 1995 of the Department of Health and Community Services, for the calendar year 1996.

Mr. Sherwood gave Notice of Motion 11 that on Thursday, December 11, 1997, he would move the following resolution, seconded by Mr. Volpé:

That an address be presented to Her Honour the Lieutenant-Governor, praying that she cause to be laid upon the table of the House the revised "Vital Statistics Summary by Cities, Towns and Villages of Over 1000 Population, New Brunswick", referred to as Table 4 in the Annual Statistical Report 1995 of the Department of Health and Community Services, for the calendar year 1996.

Mr. Sherwood gave Notice of Motion 12 that on Thursday, December 11, 1997, he would move the following resolution, seconded by Mr. Mockler:

That an address be presented to Her Honour the Lieutenant-Governor, praying that she cause to be laid upon the table of the House the revised "Stillbirths by Age of Mother and Gestation Period, New Brunswick", referred to as Table 10 in the Annual Statistical Report 1995 of the Department of Health and Community Services, for the calendar year 1996.

Mr. Volpé gave Notice of Motion 13 that on Thursday, December 11, 1997, he would move the following resolution, seconded by Mr. Sherwood:

That an address be presented to Her Honour the Lieutenant-Governor, praying that she cause to be laid upon the table of the House the revised "Live Births by Gestation Period and Birth Weight, New Brunswick", referred to as Table 6 in the Annual Statistical Report 1995 of the Department of Health and Community Services, for the calendar year 1996.

Mr. Volpé gave Notice of Motion 14 that on Thursday, December 11, 1997, he would move the following resolution, seconded by Mr. Mockler:

That an address be presented to Her Honour the Lieutenant-Governor, praying that she cause to be laid upon the table of the House the revised "Live Births by Age of Mother and Birth Weight, New Brunswick", referred to as Table 5 in the Annual Statistical Report 1995 of the Department of Health and Community Services, for the calendar year 1996.

Mr. Volpé gave Notice of Motion 15 that on Thursday, December 11, 1997, he would move the following resolution, seconded by Mr. D. Graham:

That an address be presented to Her Honour the Lieutenant-Governor, praying that she cause to be laid upon the table of the House the revised "Marriages by Age of Bride and Bridegroom, New Brunswick", referred to as Table 11 in the Annual Statistical Report 1995 of the Department of Health and Community Services, for the calendar year 1996.

Mr. D. Graham gave Notice of Motion 16 that on Thursday, December 11, 1997, he would move the following resolution, seconded by Mr. Robichaud:

That an address be presented to Her Honour the Lieutenant-Governor, praying that she cause to be laid upon the table of the House the revised "Live Births and Stillbirths by Age of Mother, New Brunswick", referred to as Table 9 in the Annual Statistical Report 1995 of the Department of Health and Community Services, for the calendar year 1996.

Mr. D. Graham gave Notice of Motion 17 that on Thursday, December 11, 1997, he would move the following resolution, seconded by Mr. Sherwood:

That an address be presented to Her Honour the Lieutenant-Governor, praying that she cause to be laid upon the table of the House the revised "Summary of Vital Statistics by Month, New Brunswick", referred to as Table 3 in the Annual Statistical Report 1995 of the Department of Health and Community Services, for the calendar year 1996.

Mr. D. Graham gave Notice of Motion 18 that on Thursday, December 11, 1997, he would move the following resolution, seconded by Mr. Sherwood:

That an address be presented to Her Honour the Lieutenant-Governor, praying that she cause to be laid upon the table of the House a copy of all memos, letters, correspondence, proposals, minutes of meetings, studies, reports, analyses, offers, negotiations, and financial costs relating to the termination of the contract with Andersen Consulting for their services on the New Brunswick Integrated Justice System.

Government Motions re Business of House

With leave of the House, Hon. Mr. Tyler moved the following resolution, seconded by Hon. Mr. Frenette:

That the membership of the Standing committee on Privileges be amended by substituting the names of Mr. Allaby for Hon. Mr. Frenette, and Hon. Mr. Valcourt for Mr. D. Graham.

That the membership of the Standing Committee on Private Bills be amended by adding the name of Dr. Kennedy.

That the membership of the Standing Committee on Procedure be amended by substituting the names of Mr. Allaby for Hon. Mr. Frenette, Mr. Sherwood for Mr. Robichaud, and Mr. Mockler for Mr. D. Graham.

That the membership of the Standing Committee on Law Amendments be amended by substituting the name of Hon. Mr. Lockyer for Mr. Duffie and by adding the name of Dr. Kennedy.

That the membership of the Standing Committee on Public Accounts be amended by substituting the names of Mr. Blaney for Hon. Mr. Jamieson, and Mr. Smith for Hon. Mr. LeBlanc.

That the membership of the Standing Committee on Crown Corporations be amended by substituting the names of Mr. D. Graham for Hon. Mr. Valcourt, and Mr. Allaby for Hon. Mr. McKay.

That the membership of the Legislative Administration Committee be amended by substituting the names of Mr. Allaby for Hon. Mr. Gay, Hon. Mr. Graham for Hon. Mr. Frenette, and Mr. Robichaud for Hon. Mr. Valcourt.

That the membership of the Standing Committee on the Ombudsman be amended by substituting the name of Hon. Mr. Valcourt for Mr. Volpé.

And the question being put, it was resolved in the affirmative.

With leave of the House, Hon. Mr. Tyler moved the following resolution, seconded by Hon. Mr. Frenette: (Motion 19)

That, with respect to the Hours of Sitting, Provisional Rules 29 and 30 which were adopted by the Legislative Assembly on November 27, 1996, for the Second Session of the Fifty-third Legislature be adopted to replace Standing Rules 29, 30 and 31.

And the question being put, it was resolved in the affirmative.

With leave of the House, Hon. Mr. Tyler moved the following resolution, seconded by Hon. Mr. Frenette: (Motion 20)

WHEREAS at the meeting of provincial premiers held in Calgary on September 14, 1997, nine premiers and two territorial leaders unanimously agreed on a framework for open and grassroots public consultations with Canadians on strengthening the Canadian federation;

AND WHEREAS the seven statements of principle in the schedule hereto were selected to provide the Framework for Discussion on Canadian Unity;

BE IT THEREFORE RESOLVED that this House appoint a Select Committee to be known as the New Brunswick National Unity Consultation Committee; That the Committee seek the views of New Brunswickers with respect to the *Framework for Discussion on Canadian Unity*, hold public hearings as it deems necessary and report to the House during the current session of the Legislative Assembly.

In addition to the powers traditionally conferred upon Standing or Select Committees of this House by the Standing Rules, the Committee shall have the following additional powers, namely;

(a) to sit during any period in which the House is adjourned, and during any sitting of the House;

(b) to adjourn from place to place as may be convenient;

(c) to retain such personnel as required to assist the Committee; and

BE IT FURTHER RESOLVED that the said Committee be composed of: Hon. Mrs. Kingston, Hon. Mr. Valcourt, Hon. Mr. B. Thériault, Hon. Mr. Richard, Mr. Blaney, Mrs. Jarrett, Mr. Kavanaugh, Ms. de Ste Croix, Mr. D. Graham, Mr. Sherwood and Ms. Weir.

Framework for Discussion on Canadian Unity

1. All Canadians are equal and have equal rights protected by law.
2. All provinces, while diverse in their characteristics, have equality of status.
3. Canada is graced by diversity, tolerance, compassion and an equality of opportunity that is without rival in the world.
4. Canada's gift of diversity includes Aboriginal peoples and cultures, the vitality of the English and French languages and a multicultural citizenry drawn from all parts of the world.
5. In Canada's federal system, where respect for diversity and equality underlies unity, the unique character of Quebec society, including its French speaking majority, its culture and its tradition of civil law, is fundamental to the well being of Canada. Consequently, the legislature and Government of Quebec have a role to protect and develop the unique character of Quebec society within Canada.
6. If any future constitutional amendment confers powers on one province, these powers must be available to all provinces.
7. Canada is a federal system where federal, provincial and territorial governments work in partnership while respecting each other's jurisdictions. Canadians want their governments to work cooperatively and with flexibility to ensure the efficiency and effectiveness of the federation. Canadians want their governments to work together particularly in the delivery of their social programs. Provinces and territories renew their commitment to work in partnership with the Government of Canada to best serve the needs of Canadians.

Reading of the motion having been dispensed, and the question being put, it was resolved in the affirmative.

On motion of Hon. Mr. Tyler, seconded by Hon. Mr. Frenette,

RESOLVED, that when the House adjourns, it stand adjourned until Thursday, November 27, 1997, at 1 o'clock p.m.

And then, 11.05 a.m., the House adjourned

The following documents, having been deposited with the Clerk of the House since the last sitting of the House, were deemed laid upon the table of the House pursuant to Standing Rule 39:

DOCUMENT FILED DATE

Kings Landing Historical Settlement - Kings Landing Corporation 1995-1996 February 21, 1997

Maritime Provinces Higher Education Commission Annual Report 1995-1996 February 25, 1997

Office of the Ombudsman 1995-1996 March 20, 1997

1996 Annual Report of the Workplace Health, Safety and Compensation Commission of New Brunswick March 27, 1997

Department of the Environment 1995-96 April 8, 1997 Council of Maritime Premiers Annual Report 1995-1996 April 9, 1997

Legislative Activities 1996 April 23, 1997

1996 Annual Report of the New Brunswick Investment Management Corporation for the period

March 11, 1996 to March 31, 1996 June 27, 1997

Public Accounts for the fiscal year ended 31 March 1997 (Volume 1) August 13, 1997

Annual Report of the Lotteries Commission of New Brunswick 1995-96 August 13, 1997

Annual Report of the New Brunswick Liquor Corporation for the fiscal year ended March 31, 1997 August 28, 1997

Report on Official Languages 1995-96 September 2, 1997 Annual Report of The Supervisor of Political Financing

Under The *Political Process Financing Act* for the period April 1, 1995 to March 31, 1996 September 3, 1997

Annual Report RCMP "J" Division 1996 September 10, 1997

1997 Annual Report of Municipal Statistics - Municipalities, Culture and Housing September 15, 1997

Atlantic Lottery Corporation Inc. 1995-96 Annual Report September 17, 1997

Atlantic Lottery Corporation Inc. 1996-1997 Annual Report September 17, 1997

Annual Report of the Advisory Council on the Status of Women 1996-97 September 30, 1997

Legal Aid New Brunswick 1996-97 Annual Report October 9, 1997

Annual Report of the Department of Finance 1996-97 October 20, 1997

Labour and Employment Board 1996-97 October 22, 1997

Department of Transportation 1996-97 October 28, 1997

Department of Justice 1996-97 October 30, 1997

Department of Fisheries and Aquaculture 1996-97 October 31, 1997

Department of Education 1996-97 October 31, 1997

Office of the Comptroller 1996-97 October 31, 1997

A Report by the Minister of Finance on Members' Expenses, pursuant to Section 30(3) of the *Legislative Assembly Act* October 31, 1997

Premier's Council on the Status of Disabled Persons 1996-97 November 3, 1997

Human Resources Development - NB 1996-97 November 3, 1997

New Brunswick Geographic Information Corporation / Service New Brunswick November 5, 1997

Justice - Co-operatives 1996 November 13, 1997

Justice - Credit Unions November 14, 1997

OTHER DOCUMENTS

Maritime Provinces Post-Secondary Program

Profile December 1996 February 11, 1997

Maritime Provinces Higher Education Commission Discussion Paper - Options for Quality Assurance in Higher Education in the Maritimes - January 20, 1997 February 26, 1997

Maritime Provinces Higher Education Commission Report to the Senate Subcommittee on Post-Secondary Education - February 1997 February 21, 1997

Kings Landing Settlement News - Year 20, Issue I - Summer 1997 May 12, 1997

NB Power Corporation Business Plan 1997-2002 May 15, 1997

Cultural Policy Task Force - Final Report and Recommendations for a Cultural Policy

Department of Municipalities, Culture and Housing June 20, 1997

New Brunswick Arts Board Annual Report and Francois Colbert's report entitled *Proposal for the New Brunswick Arts Board* August 5, 1997