

Legislative Assembly of Alberta

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

8:00 p.m.

Date: 2003/03/26

[Mr. Shariff in the chair]

The Acting Speaker: Please be seated.

head: **Government Bills and Orders**

head: Third Reading

Bill 3 Electric Utilities Act

Ms Carlson moved on behalf of Mr. MacDonald that the motion for third reading be amended to read that 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.

[Adjourned debate March 26: Dr. Massey]

[Motion on amendment lost]

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. At this time I rise to speak at third reading of Bill 3, our high-priced utilities act. To say again that I'm disappointed in this legislation certainly would be an understatement. I don't understand how this bill is going to promote low-cost electricity.

Now, when we look at what needs to be done, are we going to have a long-term strategic transmission systems plan out of this act? No one has convinced me of that. Are we going to have excellent customer service? No one in the course of the debate has convinced me of that. Are we going to be able to resolve the problems with the wholesale electricity market, the apparent problems of price manipulation at the Power Pool? I don't think we are. The load settlement solutions? There's not an hon. member of this House who is not aware of the load settlement solutions, and no one has convinced me of the merit of Bill 3 yet.

To invoke closure on it I believe is the wrong thing to do. If anything needed discussion, it certainly would be the details of this bill. We saw a similar pattern with I believe it was Bill 27 in 1998, a similar statute that changed how electricity was generated, transmitted, and distributed in this province, and we've seen nothing but high prices ever since. Again, there are too many questions left unanswered to support this bill, and I would urge all hon. members of this Assembly to vote no – no – to Bill 3.

When we look at transmission capability and having adequate transmission capability, is this the answer, facilitating investment in both base load and generation? Is this bill going to be the answer? Mr. Speaker, when we have a look at what is left of the base load in this province, the coal-fired generators, we've got a serious problem, and Bill 3 is not going to resolve that. We have a lack of confidence. It's gotten to the point where two major generators of electricity have gotten together because they don't know the rules, and they have pooled their money to reduce their exposure. This is EPCOR and TransAlta at the Genesee power plant, and this uncertainty is costing everyone money, whether it is the – well, it's the old ratepayers, really, or the investors.

We're looking at customer service and customer choice here. Now, is this bill going to simplify contracts and processes? I don't think so. Are we going to have anything positive for consumers in

this notion of the one-stop-shop approach where you can get both a natural gas and an electricity contract from a marketer? Where are the savings? No one has explained where the savings are going to be for the consumer in this bill. No one from that side of the Assembly is confident enough in this legislation to stand up and put all their comments on record for their constituents to see. The ultimate vote of confidence that government members can have in this legislation is to stand up, each and every one of you, and put your comments regarding Bill 3 on the record, and then when your constituents have problems, mostly complaints, they can refer them to this side of this House. But, Mr. Speaker, at this time certainly the hon. Member for Grande Prairie-Smoky, that introduced this bill and has had a great deal of time and patience with this member in regard to this bill, has been willing to put his remarks on the record.

Now, I asked this earlier and I did not receive a satisfactory answer: where are we going to be with the Regional Transmission Organization West and the Federal Energy Regulatory Commission? They want a standard market to sign for this area of the world, and it's interesting, as we use closure on this legislation, that the Federal Energy Regulatory Commission in America has come down hard on the electricity profiteers south of the border. This profiteering has been going on for the last couple of years, and they came down on them hard today, as I understand, Mr. Speaker. If those problems do exist in this province in the Power Pool, let's find out about them. Let's show a willingness to investigate this market manipulation. But it's just deny, deny, deny. "Oh, no, it's not happening. It couldn't happen, not with our rules here in this province." But at least we should have a look at that, and that is the form of consumer protection that I would strongly advocate.

Now, the load settlement issues with Bill 3. Is that going to become a smooth process? How many load settlement areas will we finally have, Mr. Speaker? When we look at monitoring the settlement results between different areas and between different providers, we need to get a grasp on this. We need to get a handle on this, and we need to get a handle on it very quickly because it's the consumers that are suffering.

Mr. Speaker, when we go through this and we look at the Balancing Pool and we look at the eventual winding up of the Balancing Pool, when are consumers going to be made aware of the deferral accounts in the Balancing Pool if there are any or if they're going to be larger than the current \$345 million that are on the books? When is this going to be done? The Balancing Pool is not clear in this legislation, and because of closure a person hasn't had a chance to bring that forward. Certainly there are going to be different reporting rules for the Balancing Pool than there are for the market surveillance administrator and also the independent systems operator.

Dr. Taft: Do we have a market surveillance administrator?

Mr. MacDonald: There is a market surveillance administrator in this act.

Dr. Taft: Is there one in the other bill?

Mr. MacDonald: There's not one in Bill 19, the sister legislation to this.

8:10

Ms Blakeman: Brother legislation, please.

Mr. MacDonald: Pardon me. Sister/brother legislation. Yes.

We have these huge deferral accounts that could grow larger in the

Balancing Pool. For a free market system the Balancing Pool is where all the generation that could not be sold or would not be sold in the power purchase arrangements is held. To call this a free market, Mr. Speaker, is a stretch to say the least, and this is not going to improve it. How long are we going to continue to hold these power purchase arrangements? We haven't even had an opportunity to discuss the power purchase arrangements yet in this debate, and here we're making in this legislation a legislative window from which to get rid of them and get rid of them on the basis of their net value, what's left. The people that were lucky enough or smart enough to buy those original power purchase arrangements have certainly made a return on their money.

There's just so much in this legislation, Mr. Speaker, and so little time.

Now, when we talk in division 4 about municipally owned electric utilities – and sometimes we forget in this Assembly, and I've reviewed *Hansard* and I haven't encountered this yet, but I may have missed it – what does this mean for the municipally owned utilities outside the city of Edmonton and the city of Calgary, the city of Lethbridge, the city of Red Deer, and Medicine Hat? There certainly are other jurisdictions that could be affected by this. What does this mean for them, and how do they compete with all these foreign outfits that are supposedly going to come in here as far as hiring lawyers to appear as intervenors in hearings? This can be a very expensive process. How can these locally owned municipal outfits compete, and how do they protect themselves if they just want to be left alone in their part of the province to carry on providing service as they have in the past to their customers? How are they going to be affected by this?

This is a complete, entire new statute. We're going to repeal the current Electric Utilities Act, and here we go with a new piece of legislation. To think that we would invoke closure on this after the last use of closure on an electrical utilities amendment – we've seen nothing but high prices since, and to repeat that pattern to me is very disrespectful of the consumers who have footed the bill here for the last three years.

We cannot forget that the ultimate goal of electricity generation, distribution, and transmission should be to provide electricity at the lowest possible cost for consumers, not the maximum profit for the generators, and this is what this bill is all about. You can stand and disagree with me certainly if you like, and I welcome that.

Everyone in this province – and this includes the mayor of Edmonton and city council. They should not have to go cap in hand to the provincial government if they want to expand the generation capacity, let's say, even further at Genesee. They shouldn't have to do that. This bill is going to put restrictions and limits on them when it doesn't need to, because they've already paid payments in lieu of taxes into the Balancing Pool. Perhaps that money, as I said before, should go into the general revenue of this government. Edmonton and Calgary and other jurisdictions over the course of time will be making these payments in lieu of taxes. Well, they're subsidizing the other operators, and I thought this whole idea was that we would have no subsidies to business.

We have never in this bill discussed what we're going to do with the location-based credits. In my view, how can we say that we want to level the playing field for the investor-owned utilities? The municipally owned utilities have all these advantages whenever everyone is ponying up for the location-based credits, because we have not had adequate long-term planning with our transmission system in this province since someone came up with this notion of energy deregulation. As a result of that, we're trying to incent gas-fired generators, and that gets to the real problem.

I would encourage all hon. members of this Assembly to go on the

EUB web site, not the *altaliberals.ab.ca* web site for once but the EUB web site, and pull off the Alberta electric industry's annual statistics for 2001.

Thank you.

The Acting Speaker: Hon. members, Standing Order 29 kicks in. Does any member have a question for the hon. Member for Edmonton-Gold Bar?

Ms Blakeman: I understand that the member was going through the list of disappointments that he had where he wasn't able to complete the discussion on it because of closure. Is there anything he left off the list?

Mr. MacDonald: Lots.

Ms Blakeman: Get up and tell me then.

Mr. MacDonald: Well, Mr. Speaker, the first thing is how we will straighten out generation capacity so that we have a system that is not relying on the expensive natural gas fired generation. There are over 4,400 megawatts of natural gas fired generation in this province, but if one were to be in the Premier's office and look out the window at the Rosedale power plant, you wouldn't see it steaming. Certainly you would see consumers steaming from high bills, but you wouldn't see the Rosedale power plant steaming and making electricity, nor would you see the Clover Bar plant anymore. The Clover Bar plant on occasion is like the Premier in question period: gets fired up over electricity deregulation, but not very often.

What we have to do is to ensure that our base load capacity increases because the base load capacity in this province has increased hardly at all since 1992. In 1992 we had 5,299 megawatts capacity, and in 2001 we had increased that by about 400 megawatts, 415 megawatts, and that has come as a result of the prudence of the Edmonton city council in allowing further construction at Genesee. We increased our coal-fired generation, but the gas-fired generation is expensive, and that seems to be where we are going. That is, to say the least, hon. Member for Edmonton-Centre, a major disappointment – a major, major disappointment – and this bill doesn't do anything in my view to correct that.

The Acting Speaker: There being no further questions, the chair recognizes the Member for West Yellowhead.

Mr. Strang: Thank you very much, Mr. Speaker. It's a pleasure tonight to stand here and speak on Bill 3. I'd just like to give the member over there a little history lesson. It was over 11 years ago when I was mayor of the town of Edson. With the mayor of the town of Hinton we were approached by a coal company wanting to develop coal-fired generation within the close proximity of their three mines. So we went to bat for them, tried to get this system set up so that they'd be able to generate electricity for their three mines and also sell the excess power back to the power grid. We tried with all our might to do that, and of course we weren't able to do it.

So with this Bill 3 I would like to tell him the future story now. We have a company just west of Edson that is looking at building a nine-megawatt power station. So what that's going to do for them is make them more competitive for the simple reason that they're going to be able to control their costs. They're going to be able to add a couple more dryers on their system so they can cure the lumber. Also, they're going to be able to bum their waste. The other thing that they're going to be able to do: they're going to be able to get carbon credits. So it's interesting to note that when you

give the people choice and they're able to work it out – with this nine-megawatt they might have extra power; therefore, they're going to sell it back to the grid – it's going to help the area.

8:20

I guess the other thing that I want to say is that this government is looking very strongly at developing the aspect of clean-burning coal technology, and we should always realize that. This province has 300 years of known reserves now, and what they're looking at is partnering with other people in the nation and in the world to look at this clean-burning coal technology. Once they do that, then, with the aspect of our Alberta energy research technology, we'll be able to do that: work with the different companies.

We've changed quite a bit in our whole business about coal. Now we've got one company that looks after all the thermal coal in the province and even in other jurisdictions. So we have a lot of aspects where we've got alternative fuel. We're giving the companies and everything the chance now to move ahead with certainty. Under the regulated system we couldn't do this. They couldn't look at any long-term plans.

So what I'm saying is that with this type of system we're able to get out there, allow the people to build business plans, work with other people, look at trying to make things more economical in their own business. And as I'm talking about this forest company, they're selling their forests around the world, and they're getting premium price for their product, but now they'll be able to be more competitive in some of these tougher markets because they're controlling their own destiny. So, Mr. Speaker, I strongly believe in Bill 3, giving us the aspect of choice.

The member opposite seems to neglect telling us about the aspect of Direct Energy. Direct Energy is already willing to go into this market, but they want to have a level playing field. Sure. With all the municipalities that have different resources in the aspect of electricity, when they're selling in their own domain, which is good, do we want to sit back now and just forget about it and let them? Now they're all across the nation. They're even in the United States. What happens when the city possibly goes broke? Who does that come back to? The next level of government; that is, the government of Alberta. We don't want to burden those type of taxes on all the people in Alberta. So what we're looking at is a level playing field. We've got another company that just bought some strips of electricity energy in the province here, so we could have four or five.

Then I guess the positive thing is that the citizens are getting choice. The other aspect that they're talking about: well, look at how high it is. Well, I guess it's that high. The only thing that could transpire before to get anything on quickly was the aspect of gas-fired generation. Therefore, when the demand goes up on it, it's a commodity; it's a North American commodity. Naturally you're going to have to recover some costs.

All we had before was a very falsified economy when it came to electricity. I could go on and on about the different aspects of EEMA. I mean, that was almost criminal the way that was operated, and then you have to pay for all the stranded costs. I'd love to have a business that with generation I could do whatever I wanted, within certain realms, and then come back and say: well, I need 15 percent to cover all my costs. That would be a great business to have.

That's why I'm saying and urging everybody: we've got to go forward. Sure; everything is not going to be rosy to start with for the simple reason that there are going to be some corrections and everything else. But with competition and the understanding that the people in our ridings want to have choice, they want to be able to go ahead and buy their electricity – some companies have come to us and said that they've had 2.2 services that they sell to customers.

People want to have that choice. They want to have the understanding, and I strongly believe that Bill 3 will do this for us.

Thank you very much, Mr. Speaker.

The Acting Speaker: Hon. members, Standing Order 29 kicks in. The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Edmonton-Highlands.

Mr. MacDonald: Yes. Thank you very much. My first question is to the hon. Member for West Yellowhead. How much was the price of electricity when the hon. member was mayor of Edson, and how much is the price of electricity under energy deregulation for Edson residents now that you are their representative from the district of West Yellowhead in this Assembly?

Mr. Strang: Well, hon. member, that's irrelevant right now. I mean, is everything the same? When you were a young whippersnapper down in eastern Canada, was gasoline only 10 cents at that time? Times change, you know. What I'm say is that people understand that. They want to have consistency. That's why people want to have Bill 3: so they know where they can buy their services, and they can go on a budget and everything and get it. That will help them there.

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

Mr. Mason: Thank you very much, Mr. Speaker. I'd like to ask the hon. Member for West Yellowhead why he believes that it is impossible for other people who want to add generation, whether it's cogeneration or a stand-alone plant, to participate in the electricity grid or the electricity system without deregulation? What is it about a regulated system that . . . [interjection] No, no, it's to him, hon. minister. What is it about a regulated system that prevents other players from contributing generation into the system?

Mr. Strang: Well, first and foremost, I mean, you of anybody shouldn't be asking that question because you knew the business when you were with the city of Edmonton. You take the aspect in the area that I was in. When I was mayor it was under TransAlta. TransAlta could say no, and you couldn't produce power for the excess power. You couldn't even produce power, so therefore it's protectionist. They had the areas, and they couldn't do it. Under the deregulation system now we're able to utilize the power and to sell it into the grid. We've got other aspects in our area where we can do that, and that's what we're looking at.

You take a look at the aspects now in Fort McMurray. What's transpiring there? There's huge cogeneration there. What's happening with TransCanada now? It used to be NOVA. NOVA has cogens too, so they're operating their own. They're allowed to drop their costs to be able to be more competitive in the world.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. Again to the hon. Member for West Yellowhead: how is Bill 3 going to affect the rural electrification associations in a positive way? How is that going to help them?

Mr. Strang: Well, Mr. Speaker, that's a fairly broad question. What I'm saying is that people are going to have choice now. It's unregulated. They're going to be able to have more. I mentioned at least four, maybe five people that are going to be selling contracts on electricity. Then people are going to have a choice to buy them.

They can go for the aspect of longer choices. They'll be able to get their bill, and they'll know what they're paying for, unregulated, whereas as it is now, with some companies you can see what's transpiring. They're giving free electricity. Well, what's happening? They realize that there's competition coming, so they want to be ready so that when they come in, they may have these people signed up, but these people are waiting for choice so that they can compare. I mean, do we have in our country now where you only go to one bank because they just give you the mortgage? No. You have choice. You shop around. The rates fluctuate, the same thing that's going to happen here. If you want to sign a contract for a year, well, maybe you'll get a fairly large number, but if you want to go for a longer term, it'll be shorter. So, I mean, that's the beauty people are going to have when they are able to go and deal with their electricity, so I can't see how it's not going to help.

8:30

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

Mr. Mason: Thank you very much, Mr. Speaker. Well, just a brief statement, then, on the answer previous to my question.

An Hon. Member: This is question time.

Mr. Mason: It's not question period. Perhaps . . .

The Acting Speaker: I regret that the five minutes allocated has run out.

The hon. Member for Edmonton-Centre.

Ms Blakeman: Thanks very much, Mr. Speaker. Okay; one last chance here in third reading to talk about the effect of Bill 3. You know, I keep going over the information I have. I've listened carefully to the members from the government side that have contributed to this discussion, and my compliments to the members from Grande Prairie-Smoky and from West Yellowhead for having the courage to get on their feet and defend their views and get themselves on the record. Thank you very much, and it's been very interesting hearing why you support certain things or don't support certain things, so I thank you for participating in the discussion. It's much more interesting in here when we all engage rather than just heckling one another.

One of the questions that I would have asked the Member for West Yellowhead – but I just couldn't get into the fierce competition existing here between Edmonton-Gold Bar and Edmonton-Highlands in trying to ask these questions to him. Yes, it was difficult or prohibitive under the existing regulated market to establish new generation, but that was merely a matter of changing the regulations, which this government likes to hold pretty closely in its hot little hand and behind closed doors. So this was not that difficult to facilitate. It did not require the wholesale deregulation of the electrical industry and all of the problems that have come along with it.

So I appreciate what the Member for West Yellowhead has brought forward as a point of argument, but I would say to him that we did not need – this is now the third bill that we've had for electrical deregulation and the second one that has had closure used to come into existence in this province. Perhaps if we're going to get a discussion from another member, they could discuss with us why the government chose to deregulate the whole system instead of adjusting a few regulations that would have allowed new power generation to come on-line. When I looked through all of the articles I got off-line – did you know that there's a magazine called

Electricity Today with lots of information in it about what's happened? The things you learn. This electrical deregulation hasn't really worked anywhere except for Great Britain, where they have a 10-year run-up to it.

Dr. Taft: It didn't really work. It's debatable.

Ms Blakeman: And my colleague is going to get up and debate back against me here that it wasn't entirely successful there either. But they had a much longer run-up to it, and I think that alleviated some of the problems that we experienced here in Alberta, where we had stability and certainty and low cost in our marketplace, and then when the government started to discuss all of this in the mid-90s and then towards the end of that decade, it caused instability because nobody was quite sure what the heck was going to happen or when or how. As a result, nobody got into building new power plants. So then we had a shortage of supply, which caused the voluntary blackouts that people did, the rolling brownouts that were described as a squirrel by the then minister of energy.

You know, when I looked at some of the other places, California, as we know – my goodness, they're up on charges now for ripping off the public and collusion and setting the prices and all kinds of things that went on there. In Auckland they had a blackout in downtown for five weeks. I can't imagine that, but that's what they had to deal with as a result of deregulation there. In the midwestern U.S., Indiana, they had a number of outages and a great amount of instability there.

I've already talked about what happened here, and you know the government tried really hard at the time to say that, no, no, this wasn't a result of the decisions that the government was making or rather not making, just sort of talking out loud about how all of this was going to be deregulated. But it did cause instability because nobody quite knew what was going to happen, and that went on for a period of about three years, I think. So I'm still looking for the really good, solid examples of where electrical deregulation has worked. I like to learn from other people's successes and hopefully learn by their mistakes as well. I'm still looking for really prime examples of success here, and I'm not finding them.

One of the other issues that was raised a number of times – and I've raised it and was not satisfied with the answer that I got from the minister – was around promotion of conservation. Now, the minister took that to mean: was the government getting involved in promoting green power and purchasing green power and the deals that they've made to purchase green power and all of that sort of thing? But really what I was looking for was around convincing citizens to use less – to conserve, in other words – because as part of Kyoto, as part of our responsibility as individuals on this planet I think it behooves us to try not to use any more nonrenewable resources than we can help. So I was looking for a clear commitment to that as part of this bill. If the government was going to go forward with it, then I was looking for this as a hand-in-glove move. Obviously, based on what I got from the minister, there's not much interest being expressed by the minister in doing things to encourage citizens to conserve and to use less power.

Now, the other issue that I raised with the minister – and I got an answer, but when I went back and looked at the *Hansard*, it wasn't spelled out as clearly as I thought it was, so I'll put it on the record again – was the request that the regulations that are going to come out of this act be published well in advance. Put them on the web site, for example, so that everyone can get access to them, and I mean everyone. I think the citizens of Alberta would be quite interested in this and be able to have a look at it and converse with their MLA and ask them what it means and have a good debate

around those regulations. In fact, the minister didn't clearly state that he would make those available. He just talked about stakeholder consultation, and I think it needs to be more than that, especially considering this government's proclivity to passing enabling legislation and leaving all the detail to be done by regulations, which of course are done behind closed doors, which of course are done without consultation, which of course are done without *Hansard* recordings and no way for the citizens of Alberta to know what their MLA said about it. So I'm really hoping that someday soon I'll be able to stop saying stuff like that and that the government will actually do something to alleviate it. I'm getting good-natured chuckling from the other side, so I guess I'm not anticipating that anytime soon.

The government members talk a lot about choice, but I don't know where this choice is supposed to come from, because we've only got a couple of companies that are delivering electricity. There seems to be this great hope, this steadfast belief, this wish. It's kind of like Santa: if I just believe, then he will come down that chimney. But, you know, when you get past about six, he doesn't come down that chimney anymore. He's stuck in the chimney.

8:40

I made a joke before about the Zen of electricity and if the government deregulates and there's no more competition, did it work? Well, no. It hasn't so far. There's a lot of talk about: "Direct Energy is going to come into the marketplace. That's going to be our new competition. That's going to really add." But we're not remembering here that ATCO is leaving. We're losing one provider and we're getting a provider, so we're exactly where we were before all of this happened. We have no more new people in this marketplace than we did before, except one of them is a multinational, which should be pretty interesting in itself. So this whole question about choice I refute.

It continues to be an issue with me that the risk is being passed on to the consumer here. The last time I talked about this, people went: "Oh, well, sign a long-term contract then. That takes all the risk out of it." Well, no, it doesn't. That puts even more of the risk squarely on the shoulders of the consumer. The consumer gets to take the risk one of two ways. Here's the big choice. You can ride it out on the spot market pricing if you've got a thousand dollars to sit in a bank account to pay your bill. One month it could be \$300 or \$400 and the next month it could be \$700, depending on what price the electricity was bought at and they're going to charge you for that month. So if you can afford to kind of float up and down with that and leave that money in there and constantly refresh it, okay, ride the spot market.

If you can't and you need a steady fixed price, then you're going to have to go with the long-term contract to get that kind of certainty in your life, and – guess what? – it's people with less income, those that don't have an extra thousand bucks to put in a bank account, that are going to have to be in a position of looking at those long-term contracts. They will pay a premium for that certainty because they don't have enough money to ride the spot market. So all of the risk is being taken by the consumer here and transferred to the consumer. None of it is being taken by these large companies anymore.

I had also talked about the Rosedale plant – and others have referred to it – and my concerns about the decommissioning and the reclamation costs and things. I think what's really concerning me is that there are still a number of issues that could be raised and discussed if we were able to not have the closure that was brought in. We did do the closure jig here in this bill.

What I'd like to do is, on behalf of my colleague from Edmonton-

Glengarry, move this amendment. I'll send it over to the table now and give everyone a minute or two to have a look at it, and then I can speak a bit more to it. So I'll just pause briefly.

The Acting Speaker: Okay. You may proceed now.

Ms Blakeman: Thank you. This amendment would be amendment something or another. I'm not sure which one.

The Acting Speaker: Just proceed.

Ms Blakeman: Okay. We'll find that out later. It is moving that the motion for third reading 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 because it is the Assembly's view that the bill will leave consumers vulnerable to spikes in electricity prices.

So just in speaking briefly to this reasoned amendment, I had started by talking about the closure jig which this government is very fond of dancing. I think it's their favourite dance tune these days. This issue about leaving the customer, the consumer, the citizen vulnerable has not been addressed to my satisfaction. My hope is that by introducing this amendment, it will generate some more discussion. We have managed to engage the Member for West Yellowhead, which I was very excited to see. We've had some engagement from the Member for Grande Prairie-Smoky in the past, and I'm looking forward to his contributions. So I'm hoping that we might engage some of the other government members and encourage them to get up and get on the record and talk about why they think this bill will not – or perhaps they agree with me that it does leave consumers vulnerable to these spikes in electricity prices.

Now it's back to what I was saying just before I introduced it, and that is the issue around riding out the short term or signing a longer term contract. Now, I know that I'm coming near to the end of my time and I know that some of my colleagues will want to speak to this, but I think it's important that we look at the risk that's being transferred to the consumer and how we can create stability for the consumer. The discussion of choice that I've heard from the government members has not satisfied me that this is going to end up in lower prices and a better deal for people in Alberta. As a matter of fact, all I've seen in the entire time I've dealt with electrical deregulation, which has been going on since I got elected, is more instability, more uncertainty, and much higher prices, and that is causing, I know, a lot of citizens a great deal of grief.

Thank you very much.

The Acting Speaker: Hon. members, under Standing Order 29 any questions or comments? Hon. Member for Edmonton-Riverview, are you rising to ask a question or make a comment?

Dr. Taft: No. I would like to debate the amendment.

The Acting Speaker: With there being none, the chair recognizes the Member for Edmonton-Highlands. I had indicated that I would be recognizing you next.

Mr. Mason: Thank you. Mr. Speaker, I would like to speak to third reading rather than to this amendment.

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

Dr. Taft: Thanks, Mr. Speaker. I will be speaking in favour of this amendment. I think it's pretty obvious that it makes a valid point; it

raises a very valid concern. I think it's a sign that the government is in real denial when they vote against . . .

Ms Blakeman: That big river, huh?

Dr. Taft: In de Nile, de West Nile virus. No. They're in denial about the effects of Bill 3, and they're dreaming. The Germans have a saying about dreams. They say: a slice of ham is better than a fat pig in a dream. What we're being presented with in Bill 3, I think, is the image of this big, juicy, fat pig, but it's in a dream. All Albertans really want is a slice of ham or a slice of the electricity system that they used to have, stable prices in hand.

Now, in thinking through what the effects of Bill 3 will be without this amendment, I go back to the promises that were made by this government in a brochure printed in 1999. I think it's worth reading here some of the things the government was claiming then. I'm quoting from the brochure.

Albertans will soon have the same opportunities in the province's newly deregulated electric industry. Retailers will begin offering their packages by mid-2000 for services that will be available to you as of January 1, 2001. You will be able to choose the electricity retailer that offers you the best combination of price, service and features suitable for your particular needs.

That promise was made four years ago. It was to have come true nearly three years ago, Mr. Speaker, and it turned out to be a dream. Indeed, it turned out to be a nightmare.

What else was the government claiming the effects of electricity deregulation would be then? Well, they asked, "What about prices?" They go on to say:

No one can say for sure what electricity prices will be in the future with or without competition . . .

You notice that already in 1999 the government was backing off its claims that prices were going to go down. It goes on to say:

. . . just as no one can guarantee what will happen to interest rates or the stock market . . . Over the long-term, prices are forecast to be lower than they would have been under a regulated system.

That was a forecast made four years ago, and the reality is that the prices in fact are far higher than they were at the time, and there are no real signs of them coming down. The dream has turned to a nightmare, and we're not going to be getting out of this nightmare anytime soon.

One of the things that consumers are exposed to as a result of Bill 3 is spikes in electricity prices, and we're seeing that now. I haven't got my computer with me, but we could go on-line to the web site, and we could have looked at the pricing today. I just have in front of me by chance the price from a day a few weeks ago, and actually the prices spiked that day up to \$134.86 a megawatt hour. That's very high. That's five times higher than they were before deregulation. Another day, March 2, 2003, they spiked up as high as \$241.53.

8:50

An Hon. Member: How low did they go?

Dr. Taft: How low did they go? Let's see. One of the members asked: how low did they go? They went to \$49.03, which is still far higher than the peak price was under regulation.

Mr. Knight: One cent yesterday.

Dr. Taft: That's wonderful. One cent for how many hours in the day?

An Hon. Member: I don't know.

Dr. Taft: Yeah, well, you don't know.

What we have brought into the system through electricity deregulation and what we're continuing with Bill 3 is the most volatile product that is publicly traded on any market in the world. It is not uncommon on a daily basis for the price of electricity to fluctuate a thousand percent, and that is absurd. It's an enormous risk to expose consumers to, especially small consumers who don't have a reasonable capacity for dealing with that, and it's a risk that just simply did not exist under the regulated system.

I can tell you that the rest of the country looks at Alberta's electricity deregulation experiment as a failure, a complete and abysmal failure. We could have revised the old regulated system without throwing it completely out. We could have made some of the laudable changes that people here have suggested under the regulated system simply by adjusting the regulations. Instead, we threw the baby out with the bathwater, and we're left with a mess.

What are the risks of economic spikes? Well, there are direct risks that this amendment is intended to alleviate: direct risks of enormous financial costs; direct risk of rotating shutdowns, which we have seen in this province on a voluntary basis. Two winters ago we saw a number of major consumers being asked by the system operator to go off-line because the system was so close to collapsing.

Certainly other jurisdictions who have experimented with deregulation have had major problems as well when the price spikes. My colleague from Edmonton-Centre referred to price spikes in the U.S. Midwest when they deregulated, and the price of power went up as high as \$7,000 U.S. a megawatt hour. Major steel companies, for example, shut down their foundries. They couldn't afford to operate. There were bankruptcies because of the price spikes. We were talking in this caucus recently with the head of a major steel corporation, and his company clearly isn't interested in coming to Alberta because of what he very rightly described as the failed, badly done deregulation of electricity in Alberta. So those are the direct effects of spikes.

The indirect effects should not be lost, though, too. For there have been times – and this is a matter of historical fact in this province – when because of price spikes companies that generate power to produce a particular product have stopped production of that product and simply mothballed their main plant and made more money by selling electricity at the extremely high price than they would have in producing their product. An example of this is fertilizer plants in this province who have at times shut down fertilizer production because they happen to have their own electricity generation, and they make more money by selling that power onto the grid than by producing fertilizer. Well, there's a huge economic cost to that. First of all, the people who work producing fertilizer are out of work. Secondly, the supply of fertilizer shrinks, so that drives up costs for farmers.

So there are indirect costs, Mr. Speaker, to price spikes in electricity, and all of those are intended to be addressed through this amendment, which I can see the government members are very interested in and I expect are probably going to support.

An Hon. Member: He's dreaming.

Dr. Taft: Well, maybe I'm dreaming there. I think I am, but it's too bad. It's too bad because we are digging this hole deeper and deeper and deeper, and I'm quite sincere in believing that the future economic prosperity of this province is being seriously eroded because of the disaster with our electricity deregulation.

With those comments, Mr. Speaker, I welcome follow-up and debate. Thank you.

The Acting Speaker: Standing Order 29. The hon. Member for West Yellowhead.

Mr. Strang: Thank you very much, Mr. Speaker. I'd like to question the Member for Edmonton-Riverview. Could he relate why the energy prices went up so high in 2001? I think he should tell the whole truth. Can he maybe explain what TransAlta was doing at Lake Wabamun at the start of 2000?

Dr. Taft: I will be delighted to, but not right now. I am open to debate in committee. I was here many times in committee.

Mr. Strang: Well, Mr. Speaker, I guess the thing that I have a hard time to understand and realize is that when somebody can talk across the way and tell – well, I can't use that word – no truth at all for the simple reason that what they're saying is that, you know, nobody wants to move to Alberta, well, I'm telling you that there are a lot of people who moved here. There have been three or four times the size of Red Deer move here. What happened in Ontario? They didn't have the strength to stay with the deregulated system, and what happened? Then they had to set a price. So what happened in Ontario? There's going to be no generation there. What's happening now in Nova Scotia? They're looking right now at trying to build a grid system into the United States, but they can't because the United States doesn't want to build it up here.

So, I mean, how can you stand there and say that this type of system that we've got isn't a fair and upright system, because, number one, everything is open. They can invest, they can sell their commodity, and they know that they're going to be able to make a bit of a profit.

Dr. Taft: Okay. Thank you. I'd be happy . . . [interjections] First of all, I take issue with the Member for West Yellowhead putting words in my mouth by saying that I said that people were not moving here. That is simply untrue, and he should retract it.

Secondly, the reason the power prices soared in the year 2000-2001 was primarily because the screwups in deregulation for the five or six preceding years completely – completely – pre-empted all construction of additional power plants. So there was a shortage of supply induced by the incompetence of this government. Any other questions?

9:00

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

Mr. Mason: Thank you very much, Mr. Speaker. My question is to the hon. Member for Edmonton-Riverview. Didn't that feel good?

An Hon. Member: Oh, he probably won't answer that one either.

Mr. Mason: He doesn't need to.

The Acting Speaker: Okay. There being no question, is there anybody else who wishes to speak on the amendment? You want to speak on the amendment?

Mr. MacDonald: Please. On the amendment.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. Certainly, we have to ensure that consumers have no further economic grief from price spikes of electricity in this province. Now, whenever we

look at the bill and the fact that we're going to have a monthly price, the same as we have for natural gas, the whole idea behind this is to drive people into the expensive three- and five-year contracts. We have the monthly price, which is going to be set by the Power Pool. We all know that there are a lot of problems with the Power Pool because of the way the price is set. Now, the lowest offer received for the last unit of generation required to meet demand sets the pool price. This is not a free market, and if coal-fired generation, which is much cheaper, is going to be set into that price, set into the pool at that time, and natural gas at 11 cents or 12 cents sets the price, then all producers are going to pick up that money. How does that benefit consumers? How is this going to benefit consumers in the future? That's why I would encourage all members to support this amendment. We cannot any longer leave consumers vulnerable to spikes in electricity prices in this province.

Has there been price manipulation in this province? Certainly, it has been recognized in the past at the Power Pool. This system is not, to say the least, perfect. Now, when we look at where we are with the supply and the demand of electricity in this province and we look at the Alberta power market as it is, as it's been set up under deregulation, it is highly concentrated and it's short of capacity. Sure, there is this notion going around that, yes, since energy deregulation we've created all this capacity, but it's high-end capacity. It's like building a lot of apartment buildings for housing, but the rents are \$2,000 a month. We're not having sound public policy if we designed all housing at that price, because there are only a few people who can afford it. We have to be very, very careful here.

The hon. member across the way talked about the many citizens moving to this province, but there are also businesses contemplating moving out of this province. The reason why they're contemplating moving out of this province is because of the high cost of energy. [interjection] The high cost of energy, yes. Certainly, some of the oldest established companies in southern Alberta are talking of going to Manitoba. Now, when they look at their power bills, they're going to go and look elsewhere. Electricity is a cost of business. Electricity certainly is a cost of business in this province.

If the hon. members across the way get excited about the failure of their energy deregulation policy and get nervous, I can certainly see why. There have been a lot of spectacular public policy failures in the history of this province, but this is the granddaddy of them all, and to support this amendment would be prudent. It would be like taking a slow, calm breath and realizing the mistake that has been made. One of the things that this government used to do and that the voters were so fond of was admitting a mistake. The government, whenever they saw an error in their policy, were quite willing to admit it, but with this electricity deregulation, Mr. Speaker, it's one thing after another. It's high bills getting higher, and still they will not admit that this has been a spectacular failure.

How is Bill 3 going to reduce the price spikes? We have price spikes every day at the Power Pool: in the morning at peak demand and in the evening at supper hour, at peak demand. Now, Mr. Speaker, I don't have today's actual forecast from the Power Pool, but I believe that another hon. member has. I don't know if it would be as bad as March 2, because certainly there were significant spikes on that day. It went up and down and up and down. Where has it spiked since January? In January at the start of the month we had about 4-cent electricity.

Now, I see in the *Edmonton Journal*, that great newspaper, which is as old as the province – excuse me; it's older than the province. We look in that every day to check the power price. The only idea that this government took from this side of the Assembly in regard to trying to fix this problem is that since this government made

electricity a commodity, they took an idea from this hon. member and said: yes, we're going to publish the price so businesses can see firsthand what the price is the following day, Mr. Speaker. I will give them credit. They did that. So now all businesses, all commercial enterprises, and all residential shoppers for electricity, if they so wish, can open the *Journal* and can see what electricity traded for the previous day or the day before if it's a weekend paper. That gives Alberta consumers a good look at what's going on.

Prices have almost tripled since January, and one of the reasons why they have tripled is because of these links that we have to the Pacific Northwest. Now, I'm sure there are members in here who are going to say: "Oh, no. That's not true." But the Power Pool's own web site indicates whenever there is a disturbance on the Pacific Northwest grid. For instance, California was short 1,700 megawatts. What happened in Alberta? The price went up. There are hon. members in this Assembly that are going to say: "Oh, no. Our price spikes had nothing to do with California." But you bet they did, because whenever we were exporting power from this province, whenever there was a lack of hydro capacity in the Pacific Northwest and other reasons, whenever prices were high there and we were wheeling power out of here, our own domestic prices were high. This bill is not going to prevent those price spikes from ever happening again.

Unless we go back to the low-cost power plan suggested by the Alberta Liberals, unfortunately Alberta consumers are going to have to learn to live with these price spikes, and I'm disappointed in that. Not only seniors trying to live independently in their own homes on fixed incomes but businesses are going to be affected. Big business and small business are going to be affected by that.

9:10

In conclusion, Mr. Speaker, if the hon. members across the way don't think that high prices for electricity are going to scare away businesses, I would remind them of the last quarterly update from the hon. Minister of Finance. In that quarterly update I saw where with the high cost of registration for commercial vehicles, whenever we put the taxes and that up in this province – and those are taxes – commercial operators took their business elsewhere, and small businesses will do the same with electricity. If we are going to force the municipally owned utilities in Bill 3 to call charges on the bill taxes, then I would suggest to this government that when they table their budget on April 8, they also call all the little user fees and levies on this and levies on that taxes. If you're going to force the municipally owned utilities to lay out all their charges and call them taxes, then I would suggest to you that if you really believe what you're preaching in this about having a level playing field, when we introduce the budget, then you call a tax a tax. If it's good enough for the municipally owned utilities, surely it's good enough for this government.

Thank you.

The Acting Speaker: Standing Order 29.

There being no questions, does anybody else wish to speak on the amendment?

[Motion on amendment lost]

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

Mr. Mason: Thank you very much, Mr. Speaker. Well, it's a pleasure to rise at third reading on Bill 3 and my last kick at the cat. The hon. Member for Edmonton-Riverview talked about feeling as if he was in a dream, and you know, I can relate to that, although I

think it's a little bit more like being in a Salvador Dali painting. You know, it's a surreal experience. It's a bit like being trapped in the twilight zone.

Here's the situation. This government, since it introduced deregulation a number of years ago, has been wrong on virtually every prediction about what would happen. As the hon. Member for Edmonton-Riverview has pointed out, they were completely wrong about when eventually we would finally get around to consumer choice. They were wrong about what the prices would be, very wrong, so far wrong that it's incredible. It's scary, Mr. Speaker, how wrong they were. They were wrong about the prices that would be achieved in the auctions that took place of the power that was being produced by depreciated plants. They were wrong about how many people would bid and the total value, and they were wrong about many other things in respect to this thing. It has produced price increases for small power consumers that are almost breathtaking, and it has produced a reaction in this province among traditional Tory supporters and others that I've never seen in this province. Certainly, it has not been just traditional New Democrats or Liberals that have expressed their anger about this government.

You know, you didn't even see this during Bill 11. You didn't even see this. I know the hon. Member for Edmonton-Gold Bar said that to me the other day. He said that even during Bill 11 you didn't see the kind of anger that's out there. What is it, then, about the government having been so wrong for so long on this issue that makes them forge ahead? What is it about this government with the anger and the loss of support from traditional voters that makes this government forge ahead? [interjection] The composition of this House, I'll remind the hon. Deputy Premier, was set over two years ago. A lot can change in six weeks in politics, let alone two years, and there are two more years to go. So don't be too smug and comfortable in your 74 seats, because I'll predict right now that if the government passes this bill, there will be less than 74 Tories in the next Assembly, and I will be willing to bet a coffee on that.

So part of this surreal feeling that I have, Mr. Speaker, is that the government knows that people are angry. We have their own backbenchers getting up and asking very, very pointed questions of the government. Not just on this issue, I might add, but particularly on this issue we have had very strong and pointed questions from private members on the government side directed towards the Minister of Energy. It is clear that the caucus of the government is far from united on this question. Nevertheless, the government can use its power to force government members to vote for this bill even though it is most likely going to cost some of those hon. members their seats at the next election.

So that adds to the feeling of surrealness around this bill, that the government, notwithstanding its failures, notwithstanding the fact that this process is costing them popular support, is hell-bent on going even farther down the road than they've already gone instead of doing the rational thing and turning around and reconsidering the whole matter. I predict that the passage of this bill in third reading and its proclamation after that will mark a turning point in the 30-year-plus history of the Conservative government of this province because I believe this is the number one issue on voters' minds across the province, even people who have been traditional Tory supporters for many, many, many years.

I know that the hon. Deputy Premier is encouraging us to sort of get out from under the dome and meet people. In fact, I've been doing that, Mr. Speaker, on this very question. I've had a number of meetings not in traditional NDP areas, not in antigovernment areas but right in government areas. I've been having meetings and, you know, getting pretty good turnouts. Sometimes you get really good turnouts and sometimes more modest ones, but the people that are

coming forward are farmers primarily and small businesspeople. They're not trade unionists; they're not lawyers. They're farmers, and they're small businesspeople, and they're people that are even involved in the energy industry themselves. That's how they make their living, and they are extremely concerned about the problems that we have had in this province with electricity prices.

They know two things. They know that it comes from deregulation. They don't know why necessarily. They don't understand all the complexities. Although I've met some very smart and very well-informed people, particularly people in REAs, and some businesspeople that know way more about the electrical industry and about electrical deregulation than they ever wanted to know. They've been forced to become experts themselves in order to understand this system. So you've got an electorate, Mr. Speaker, that is well informed in many cases, and if they are not quite that well informed, they know two things, as I said. They know that the high prices come from deregulation, and they know that they're not going to get any assistance from the government unless it's election time. Those are the two things the people of Alberta know very clearly.

9:20

I will leave that with members to think about, perhaps dream about tonight, and go on to the question of whether or not additional retailers are going to add competition that will bring down prices. That's the question.

Now, the hon. Member for Edmonton-Centre has succinctly and I think quite brilliantly put her finger on the source of one of the government's mistakes, and that is that when Direct Energy and other retailers come into the market, they're in fact in some cases replacing existing retailers. You know, three minus one plus one is still three. It's a zero-sum game, Mr. Speaker. This also applies to gas, and what I can't understand is how people think that if you add a bunch of retailers selling the same gas and buying it at the same price, somehow this is going to translate into a whole bunch of competition that's going to bring down prices.

It brings me to the electricity thing, which is a little more complicated than gas. With gas it's simple. You can have as many retailers as you want, but if they buy their gas at a fixed market price, they all are in the same market. You're basically going to be paying the market price for that gas plus the markup and the added inefficiencies of having multiple small retailers of the natural gas.

Now, with electricity, Mr. Speaker, it's a little more complicated because you have the ability to add generation. This is important. The thing that determines the ultimate price has nothing to do with how many retailers you have. It has to do with the balance between the supply of electricity and the demand or the consumption of the electricity. So the only way to bring down prices in electricity is to add additional generation so that there's a greater amount of generation relative to the demand for the electricity. Then the price that the retailers get it at will come down, and they could, if there was indeed true competition, pass on some savings.

So the key to lower electricity prices is not competition, Mr. Speaker. It is additional generation, which brings me to the problems that we have had in this province about generation going back to the 1990s. It's clear that between the time the government signaled its intention to move in the direction of electricity deregulation – I think the Minister of Finance was then the Energy minister, and that goes back to the middle to late '90s – we actually passed through I think three others, so a total of four ministers of Energy, before we come to Bill 3.

There was an extended period of time when everybody in the marketplace, including the investors, knew that deregulation was coming, but the government did not have a final answer, and in fact

many of the preliminary ideas, as we saw from the pamphlet referred to by Edmonton-Riverview, were offbase and were wrong. So what actually happened at that point is that they decided not to invest in new generation.

I might add that when EPCOR, of which I was never a board member, built Genesee 1, which came after 2, because they had a funny way of numbering them, the government agencies had initially said that they could build it and that demand was required. Once they built the thing, then the government wouldn't let them put it into the rate base. So what happened – and this is normal in the electrical industry – is that the city had to continue to borrow money in order to pay itself for the cost of that. When they did finally put it into the rate base over the objections of TransAlta and Calgary politicians, then of course the cost to the rate base included not just the cost of building the thing in the first place but also all the borrowing that had to be done in order to support the plant because the government refused to allow Edmonton Power at that time, later EPCOR, to put it into the rate base.

These actions on the part of the government created an atmosphere, a climate, where people weren't prepared to invest in new generation, so there was a large period of time when new generation didn't come on-line. The government would have you believe that that was because there's something inherently wrong with a regulated system. Nothing could be further from the truth. As long as the government provides a stable environment and a regulated rate of return for investors, they will in fact invest and always have invested in new generation in this province.

So the government created a shortage of electricity, which created a situation where we were having brownouts, the threat of blackouts, and huge price increases even before deregulation was finally implemented. This was entirely the fault of the Tory government, Mr. Speaker, and had nothing whatsoever to do with the regulated system that was in place. The regulated system is in place in most other provinces, in most parts of the United States, and in fact they are building power plants just fine. But a place like California or a place like Alberta that incompetently implements deregulation will run into trouble. You'll have problems with generation, and you'll have problems with supply.

So I want to just say that in terms of politics, if I were somebody who was just a crass politician who didn't really care about the people of this province and all I wanted to do was ensure that I'd have a better shot at winning more seats in the next election – I mean, having two seats in this place isn't that easy – I would say, "Go ahead and pass the bill," because we would like to increase our representation in this Assembly, and if you pass this bill, I guarantee you that we will. But I will say, Mr. Speaker, that I'm not that kind of person, and I really think that we should put the interests of the people first, even though it may result in a rebound of Tory popularity in the province. I don't know. But I think we should be doing the right thing for the people.

Thank you, Mr. Speaker.

The Acting Speaker: Hon. members, Standing Order 29. The Minister of Finance.

Mrs. Nelson: Thank you, Mr. Speaker. He made a comment, and I'm quite surprised that with his link to Edmonton Power and now EPCOR – I'm wondering if he is not aware that as a Calgary MLA and as the Minister of Energy at the time it was I that actually took Genesee 1 into rate base. I can't believe you're not aware of that.

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

Mr. Mason: Thank you very much, Mr. Speaker. In fact, I am well aware of it. I am also aware of the very, very vigorous campaign that had to be mounted by the mayor of the city of Edmonton and the support that she received from the northern mayors in order to achieve that goal.

Mrs. Nelson: Mr. Speaker, I am also surprised that the hon. member was not aware of the fact that we were dealing with the province as a whole, and what was right was right and what was wrong was wrong. There may have been campaigns out there, but the right thing to do was to move Genesee 1 into rate base because, in fact, the facility had been built, and in this government we recognized that the industry already did exist. So we made the right move, and, yes, it was in co-operation with the city of Edmonton, but it was the right move, and that's why we made it, for no other reason.

Mr. Mason: I would like to be generous, Mr. Speaker, and admit that this minister was responsible for resolving the difficulties and the long-standing issue around getting Genesee into rate base. She did do that, and I'll give her credit for it right now.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you very much, Mr. Speaker. I have a question for the hon. Member for Edmonton-Highlands. I understand that in research preparation for Bill 3 the hon. member attended a public forum in St. Albert, and I was wondering if the hon. member could enlighten the Assembly as to some of the frustrations that were expressed at that meeting and how consumers in St. Albert dealt with the fact that they're looking at, I believe, a 70 percent increase in their electricity bills.

Thank you.

9:30

Mr. Mason: I'd like to clarify that, Mr. Speaker, if I may. On Monday evening I did confuse St. Albert with the ATCO service area where the 70 percent increase is going to take place, so I'd like to correct my remarks. St. Albert is part of EPCOR/Aquila and will not be getting immediately a 70 to 120 percent increase in the April billing period, but when this bill is passed, such increases become inevitable probably within six months to a year.

I would like to correct that for the record. Thank you very much, hon. member, for asking.

The Acting Speaker: The hon. Member for Edmonton-Gold Bar.

Mr. MacDonald: Thank you. Again to the hon. Member for Edmonton-Highlands: did the citizens of St. Albert express to you at that public meeting a preference for choice in electricity contracts, or did they express an interest in having low-rate, affordable electricity for their homes?

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

Mr. Mason: Thank you very much, Mr. Speaker. It was unanimous: cheap power.

The Acting Speaker: Anybody else wishing to speak on the bill?
The hon. Member for Grande Prairie-Smoky to close debate.

Mr. Knight: Well, thank you, Mr. Speaker. It certainly is again a pleasure for me to be able to add a few comments and perhaps make some attempt to clarify a few of the issues that were raised with respect to Bill 3. I won't spend a lot of time on it. I think we've spent a lot of time on it. [some applause] Popular; aren't I?

There was some suggestion that we have a distinct problem here in the province of Alberta with base load. The suggestion that I would make there is that the answer to situations like that is never legislation. However, legislation in this province and the legislation contained in Bill 3 are the foundation for a solution to base load problems on an ongoing basis. Certainly, those things will be addressed as we move along in regulations, et cetera.

Bill 3, Mr. Speaker, is certainly a piece of legislation that moves us into the future, and as we listened to the very emotional and passionate address by the Member for West Yellowhead with respect to his riding and his concerns, I think that we all can see that Bill 3 has been well thought out. It's a good piece of legislation, and it will suit Albertans in the future and do a very good job with respect to providing electrical utilities for this province.

With that, Mr. Speaker, I would close debate.

[The voice vote indicated that the motion for third reading carried]

[Several members rose calling for a division. The division bell was rung at 9:34 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[Mr. Shariff in the chair]

For the motion:

Amery	Graydon	Maskell
Broda	Griffiths	McClellan
Calahasen	Hancock	Melchin
Cao	Hutton	Nelson
Cardinal	Jablonski	Oberg
Coutts	Jacobs	Pham
DeLong	Klapstein	Rathgeber
Dunford	Knight	Strang
Evans	Magnus	Tarchuk
Fritz	Mar	Woloshyn
Graham	Marz	Yankowsky

Against the motion:

Blakeman	MacDonald	Mason
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Totals	For – 33	Against – 3
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[Motion carried; Bill 3 read a third time]

The Acting Speaker: The hon. Government House Leader.

Mr. Hancock: Thank you, Mr. Speaker. In light of the hour and the work that's been accomplished this week, I would move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 9:47 p.m. the Assembly adjourned to Thursday at 1:30 p.m.]