



NORTHWEST TERRITORIES  
**LEGISLATIVE ASSEMBLY**  
TERRITOIRES DU NORD-OUEST  
**ASSEMBLÉE LÉGISLATIVE**

MEETING GO 49-20-25

**STANDING COMMITTEE ON GOVERNMENT OPERATIONS**

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**THURSDAY, MAY 22, 2025**  
**EAGLE ROOM, LEGISLATIVE ASSEMBLY**  
**10:30 AM**

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**AGENDA**

1. Call to Order
2. Prayer
3. Review and Adoption of Agenda
4. Declarations of Conflict of Interest
5. Public Matters
  - a) NTPC governance study:
    - i. Public briefing with Dr. Guy Holburn, Professor of Business, Economics, and Public Policy, and Dr. Adam Fremeth, Associate Professor of Business, Economics and Public Policy, Ivey Business School at Western University
6. In Camera Matters
  - a) Debrief
  - b) Internal briefing on NT Energy
7. New Business
8. Date and Time of Next Meeting: Monday, May 26, 2025 at 10:30 a.m.
9. Adjournment



# **Governance of Publicly Owned Utilities: Insights from Ontario**

Professor Adam Fremeth

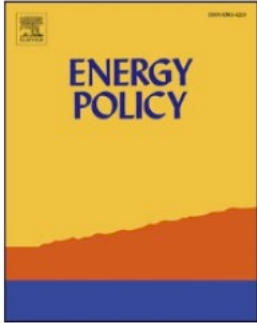
Professor Guy Holburn

Ivey Business School, Western University

May 22, 2025



# Recent research on utility governance from the Ivey Energy Policy and Management Centre



The impact of political directors on corporate strategy for government-owned utilities: Evidence from Ontario's electricity distribution sector

Adam R. Fremeth<sup>\*</sup>, Guy L.F. Holburn

*Western University, Ivey Business School, 1255 Western Road, London, ON, N6G 0N1, Canada*

Best Practice Principles of Corporate Governance for Crown Corporations



Energy Policy and Management Centre

POLICY BRIEF  
SEPTEMBER 2022

## Where's the Cheque? Governance, Ownership, and Dividend Policies of Electric Utilities

Adam Fremeth, Associate Professor – Ivey Business School  
Guy Holburn, Professor – Ivey Business School, Director – London Hydro



Energy Policy and Management Centre

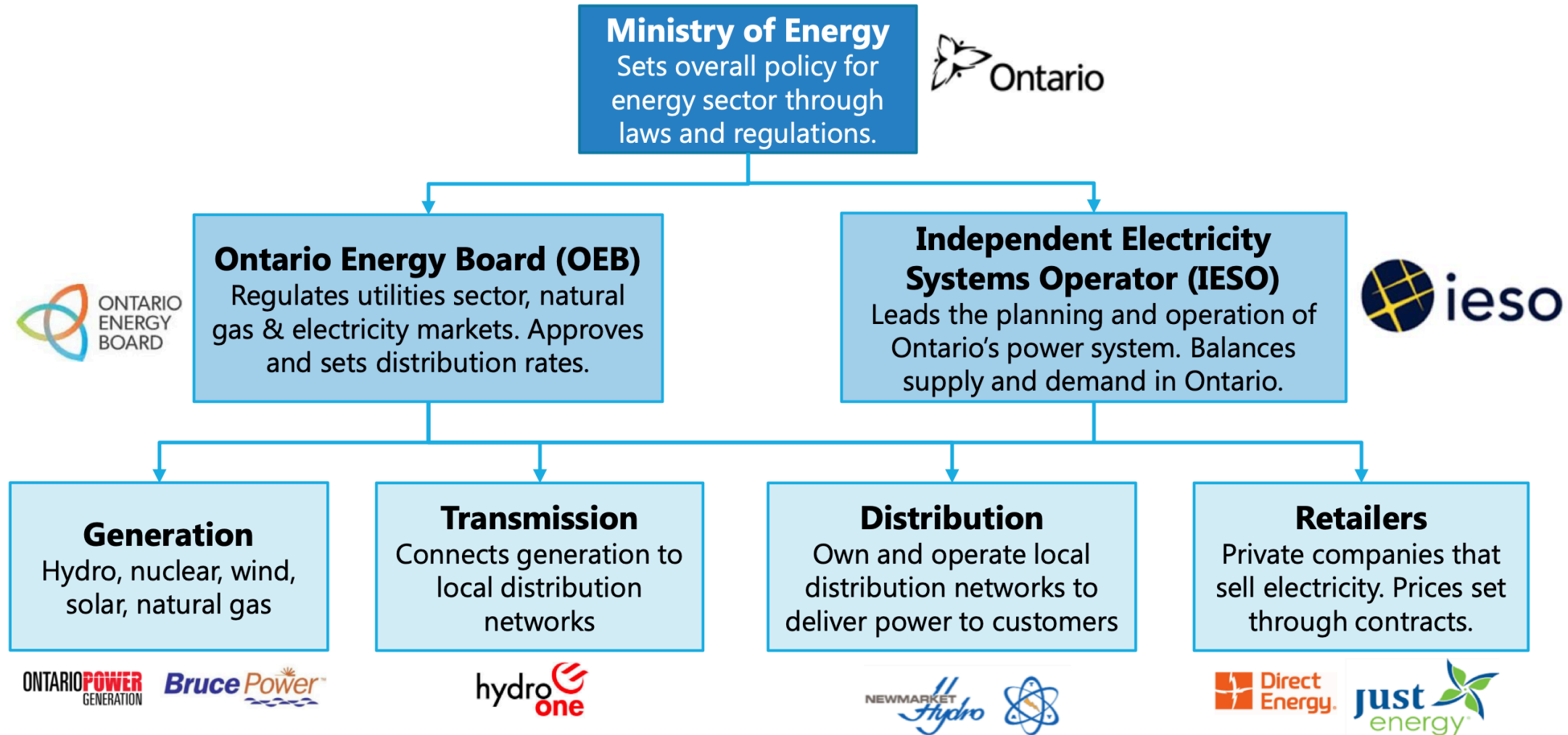
JANUARY 2022

## Corporate Governance of Government-Owned Utilities: Lessons from EPCOR Utilities Inc.

By Guy Holburn and David Hay

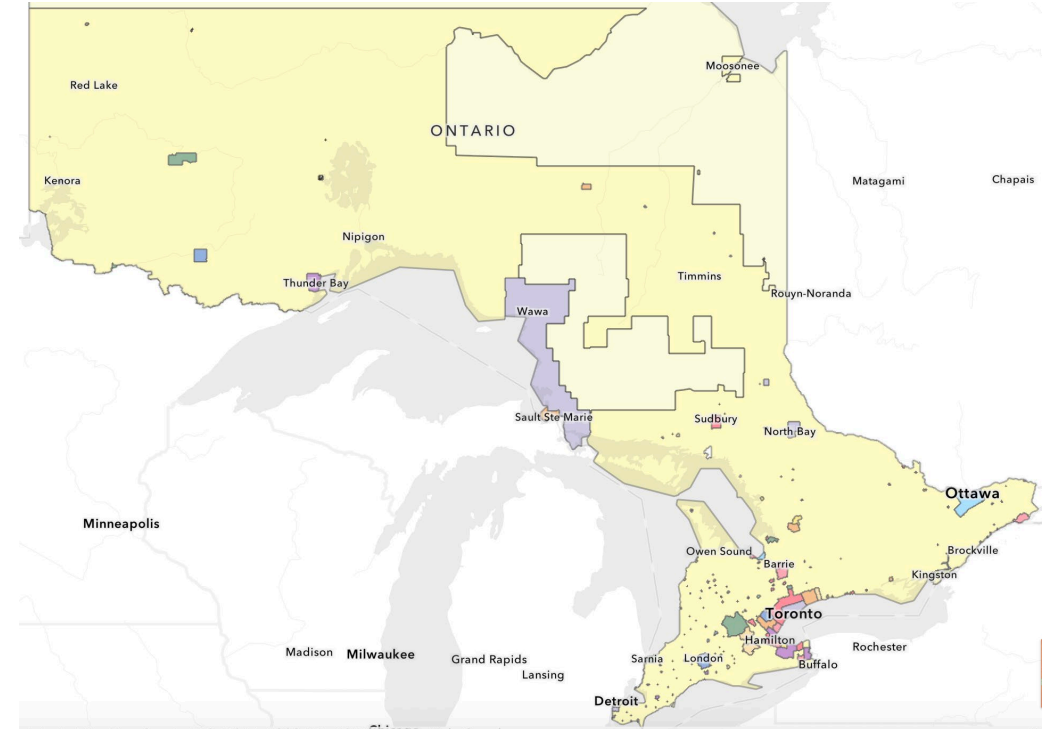
# Structure of Ontario's electricity industry

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# Electricity distribution utilities in Ontario

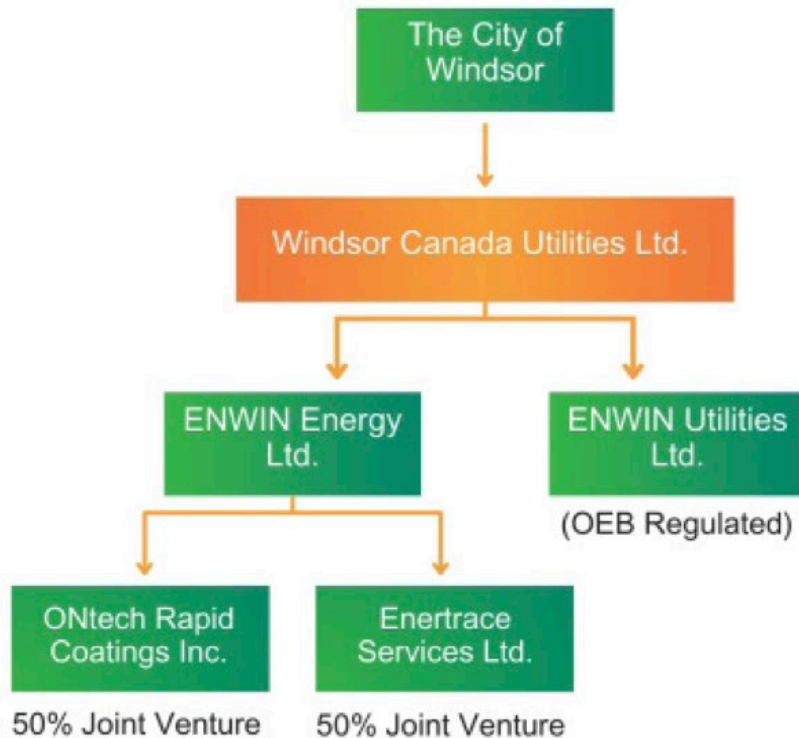
- 54 local electricity distribution companies (LDCs), ranging from 1,300 to more than 1 million customers. Median size is 24,000 customers
- Most LDCs are municipally-owned, for-profit corporations
- Rates are regulated by the Ontario Energy Board on rate-of-return basis



# Business scope of electricity distribution utilities

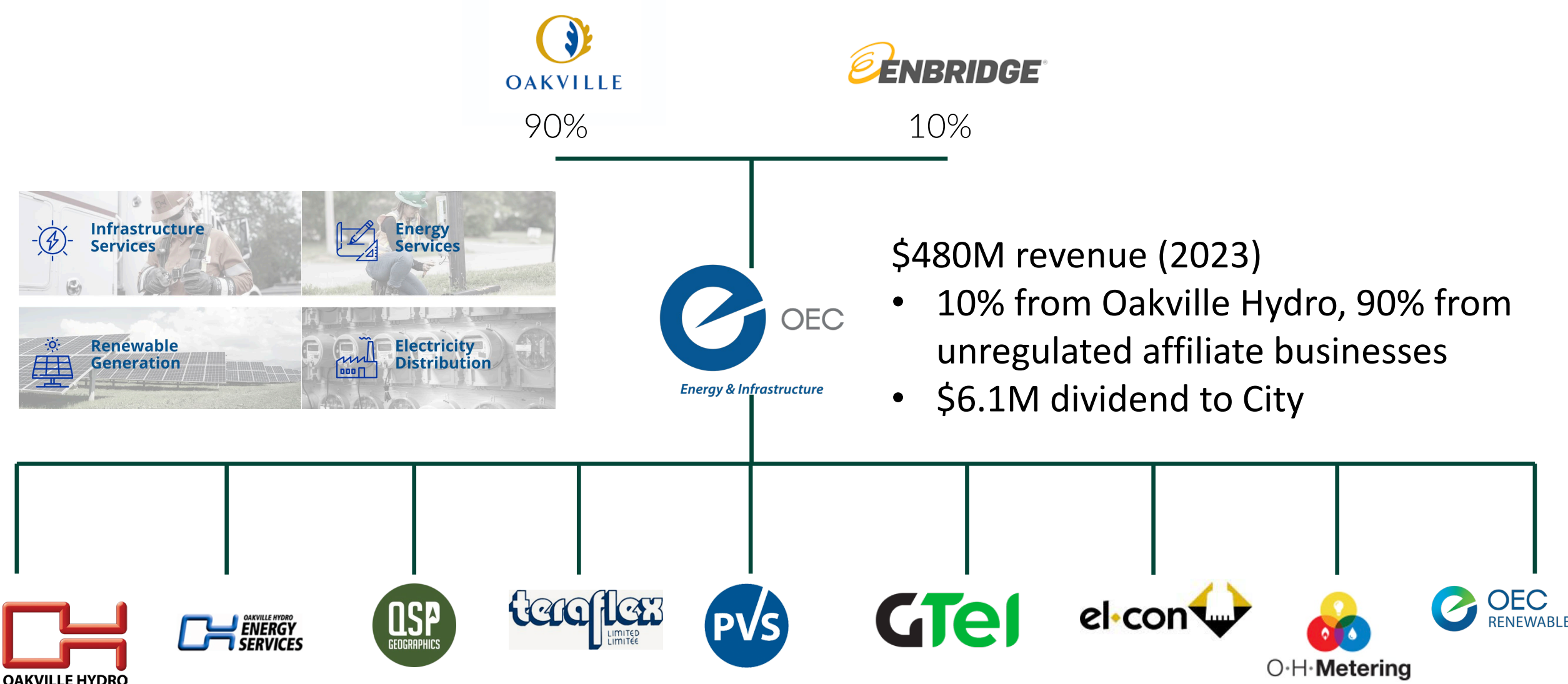
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- Many LDCs have diversified into unregulated, related businesses through affiliate corporations and holding companies





# Business scope of Oakville Hydro/Oakville Enterprises



# Corporate governance of electricity distribution utilities

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- City councils (as the LDC shareholder) appoint LDC boards of directors
  - LDC boards usually consist of 6 – 10 directors
  - Approx 75% of LDC directors are independent professionals, 25% are councillors/mayors
  - Some LDCs have 100% independent boards (e.g. Oshawa, Oakville)
- Our survey research finds differences in preferences over LDC strategy between political and independent directors
  - Prioritize **dividends to City over re-investment** in the LDC
  - More willing to expand into **unregulated businesses**
  - More willing to **acquire another LDC**
- Our results are consistent with political directors putting greater weight on policy/political goals than independent directors



# Corporate governance of Oakville Hydro/OEC

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David Brennan,  
Chair



Siobhan  
Byron



Patrick  
Crowley



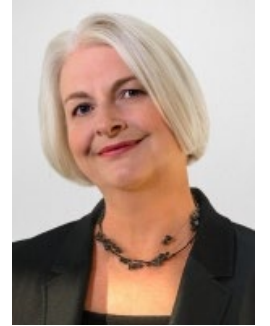
Tim  
Smith



Paul  
Pastirik



Sheryl  
Watson



Janet  
Wilkinson

- Oakville Hydro is governed by a 7-director board appointed by the City
- All directors are independent business executives, lawyers, accountants, many with ICD.D qualification; no councillors or mayor
- Chair of Oakville Hydro board is also Chair of the holding company board, Oakville Enterprises Corporation. 2 other directors serve on OEC Board
  - OEC Board has 11 directors (9 independent + Mayor and CAO of Oakville)

# Corporate governance of Ontario Power Generation

- OPG is a Crown corporation that owns and operates the majority of generation capacity in Ontario (hydro, nuclear and natural gas)
- The board consists of 11 independent directors with professional expertise in energy, infrastructure, natural resources, financial services. 3 directors are based in the U.S.
- Memorandum of Agreement with the government includes **commercial** and **policy** mandate goals
  - “operate assets efficiently and cost-effectively”, “earn a commercial rate of return”, “generate new revenues on a commercially sound basis”, “deliver value to Ontario’s ratepayers and taxpayers”
  - “undertake generation development projects in support of the Province’s energy planning priorities and initiatives”, “support the Province’s economic development objectives where feasible”, “pursue prospective generation related developments with Indigenous communities...for mutually beneficial commercial arrangements”