

27 January 2025

File No. 5758-25

The Honourable Shane Thompson, Speaker
Legislative Assembly of the Northwest Territories
Box 1320, 4570 - 48th Street
Yellowknife, NT X1A 2L9

By email

Dear Mr. Speaker:

Report dismissing complaint by Deneze Nakehk'o about Minister Wawzonek's husband's owning shares in Canadian Utilities Limited

[1] On 9 January 2025, Deneze Nakehk'o emailed me with the following concern about a potential conflict of interest for the Honourable Caroline Wawzonek, Minister responsible for the NWT Power Corporation:

Dear Mr. Jones,

I am writing to bring to your attention a potential conflict of interest involving the Honourable Caroline Wawzonek, Minister responsible for the NWT Power Corporation, and her financial interest in Canadian Utilities Ltd. (CUL). As you may be aware, CUL owns ATCO Electric, which in turn owns Naka Power. At present, NWT Power Corporation is exploring the acquisition of Naka Power's franchise in Hay River.

It has come to my attention that Minister Wawzonek holds a financial interest in CUL. Given that ATCO Electric and Naka Power are both affiliated with CU, this situation could raise concerns regarding the potential for personal financial gain from the acquisition of Naka Power, which could be seen as influencing the Minister's objectivity in the decision-making process regarding the purchase.

As the Minister for NWT Power Corporation, which is actively pursuing the acquisition, the potential for a conflict of interest arises due to the Minister's financial stake in CUL. It is of concern that her role in overseeing this acquisition might create a situation where personal financial interests could unduly influence her decisions, or at the very least, create the appearance of such a conflict.

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I respectfully request that your office assess this situation to determine whether Minister Wawzonek's financial interest in CUL constitutes a conflict of interest, and, if so, to advise on the appropriate steps to mitigate or address the concern, including whether she should recuse herself from any discussions or decisions related to the acquisition of Naka Power.

Thank you for your attention to this matter. I trust that you will take the necessary steps to ensure transparency and accountability in this process.

Sincerely,
Deneze Nakehk'o

[2] As disclosed in Minister Wawzonek's annual public disclosure statement, the shares in Canadian Utilities are actually owned by her spouse, not her.

[3] Canadian Utilities Limited is a large, publicly traded corporation. Its 2023 annual report indicates that its equity securities consist of Class A shares and Class B shares. As disclosed in its annual report, as of February 27, 2024 it had outstanding 204,327,728 Class A shares, 66,598,854 Class B shares, and options to purchase 2,535,850 Class A shares.

[4] The ownership of these shares by Minister Wawzonek's spouse does not create a conflict of interest for Minister Wawzonek for the following reasons.

[5] Section 74(2) of the *Legislative Assembly and Executive Council Act* (the "Act") provides that:

74(2) A member does not have a conflict of interest ... in relation to an interest that

(a) benefits the member or his or her spouse ... as one of a broad class of persons,

... , or

(d) is so remote or insignificant in its nature that it cannot reasonably be regarded as likely to influence the member in the performance of his or her duties of office.

[6] Ownership of shares in a large publicly traded corporation falls squarely within each of paragraphs (a) and (d):

- The shareholders of a large publicly traded corporation constitute a large class of persons, so owning such shares does not create a conflict of interest: section 74(2)(a),

- Further, any financial benefit from being a shareholder of a large publicly traded corporation would be remote, insignificant, and could not reasonably be regarded as likely to influence the member in the exercise of the member's public office: section 74(2)(d).

[7] Accordingly, Minister Wawzonek's spouse's ownership of shares in Canadian Utilities Limited would not create a conflict of interest within the meaning of the Act, even if Minister Wawzonek were to have any involvement in the transaction described above.

[8] This ruling is consistent with previous rulings by conflict of interest commissioners in other Canadian jurisdictions having similar provisions in their legislation.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'D. Jones', with a long horizontal flourish extending to the right.

David Phillip Jones, K.C.
NWT Integrity Commissioner

Copy to: Deneze Nakehk'o
Hon. Caroline Wawzonek, MLA for Yellowknife South