



Plain Language Summary For

Bill 24: An Act to Amend the Revolving Funds Act

The Minister of Infrastructure is sponsoring a Bill that amends the *Revolving Funds Act* (the Act) to change the authorized debit and credit limits of the Petroleum Products Stabilization Fund from \$1 million to \$3 million to ensure petroleum pricing in the Northwest Territories remains stable.

These amendments are required to compensate for fluctuations in the cost of acquisition and variances in the volumes of petroleum products transported and sold annually. Factors include the ongoing volatility of prices on crude oil markets, potential supply chain interruptions due to climate change impacts and operational challenges associated with deliveries to remote locations.

Background:

The Act is administered by the Department of Finance and establishes a variety of revolving funds in operation in the Northwest Territories. The Act also sets out the authorized limits for those funds.

One of the funds created in the Act is the Petroleum Products Revolving Fund. Through this fund, the Government of the Northwest Territories funds 100% of the costs involved in purchasing, selling and distributing petroleum products to all consumers serviced by the Department of Infrastructure's Fuel Services Division.

The Petroleum Products Stabilization Fund is also outlined in the Act and is a special account in the Consolidated Revenue Fund to which the profits of the Revolving Fund are credited and losses charged. The limits of the Stabilization Fund have remained unchanged since 2005, yet fuel cost components have doubled, and fuel sales volumes have tripled over that time.