

## **NTPC files General Rate Application**

**Yellowknife** – Late Friday November 24, 2006 the NWT Power Corporation (NTPC) filed a General Rate Application (GRA) with the Public Utilities Board (PUB). In the application, the Corporation is requesting an additional 3 cents per kilowatt hour on Yellowknife power rates, which translates to an increase of approximately \$20 per hour on monthly power bills across the NWT.

A rate increase is needed to meet the rising cost of providing safe, reliable electricity to customers.

“There have been a lot of changes in our business environment since the last time we filed a GRA with the PUB in May 2001,” notes Judy Goucher, Chief Financial Officer of NTPC. “Take the cost of diesel fuel for example. Most of the communities we serve in the NWT use power generated by diesel engines. The cost of diesel has increased by approximately 60% since the last rate application.”

Other factors have also pushed costs up in the four years since the approval of the last rate increase. NTPC has needed additional human and financial resources to meet its legislative requirements due to increased regulation. Tight labour and contracting markets make it more difficult and more costly to hire employees and contractors, and pushes up the cost of goods and services.

Since the last General Rate Application four years ago, inflation has gone up in the range of 8% – 12%. At the same time, the Corporation’s revenues have not increased to offset this increase in inflation.

“As well, for the past several years,” says Goucher, “customers have had the benefit of several credits that have been applied to reduce their bills. These credits have now been fully repaid to customers, so customers will no longer see the benefit of these reductions on their bills.”

The NTPC Application is based on the need for an immediate increase in rates. However, the GRA process is lengthy and thorough, and new rates may not be approved by the PUB for 12 – 18 months. For this reason, rates will go up in two stages. If approved by the PUB residential customers will see an increase in their monthly power bills of approximately \$12 - \$13 now, with the balance of the increase applied at the end of the General Rate Application process. “We maintain it is better to pass on the actual cost of service to customers at the time of delivery, than to collect it through premiums later” said Goucher. “This will make the transition from the old rates to the new rates easier for our customers” notes Goucher.

Unlike other cost increases such as increases in the cost of home heating fuel or gasoline for vehicles, communities and the public has a say in the process of setting power rates. Individuals and communities are encouraged to learn about how the Power Corporation operates, ask questions about how it spends its money, and provide opinions on what the Corporation should be doing. The General Rate Application process is open and interactive and provides an opportunity for dialogue between NTPC and its customers on the Corporation's business operations.

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