

Topic: Estimated Rate/Cost Impacts

Reference: Page 1-4 to 1-7

Preamble:

Further clarification is required in respect of the estimated rate impacts of the Corporation's rate proposal.

Request:

- a) Please provide full details of the estimated rate impacts for a customer taking low, average and high consumption for each of the communities making up the TGC, namely Inuvik, Fort Simpson and Fort Liard. Please provide this information before and after the TPSP, and for each customer class.
- b) Collection of Shortfall Rider was timed over 18 months i.e. "before the time of the next GRA so that these riders should not interfere with the implementation of interim rates for the next GRA." [Page 1-5, 1-6]. Please provide the date of the Corporation's next GRA and provide confirmation there will be no further rate changes (other than for fuel, potentially) until the next GRA.
- c) Please expand Schedule B.3 to include total dollars of cost or benefit, by community, arising from the following proposal: "...resulting shortfall deficiency was then spread among the remaining communities who did not have base rate adjustments plus shortfall riders resulting in an increase of more than 15% to energy rates." [Page 1-6]
- d) Please provide all supporting schedules in support of Schedule 1.2 "Rate and Rider Change Summary" in excel format.

**Information Request
NTPC Phase II GRA 2006/07 and 2007/08
and Code of Conduct Review
September 26, 2008
Public Utilities Board
TGC.NTPC-GRA-1**

- e) Re Inuvik, please explain the difference between the revenue to be recovered from rate in the amount of \$14,192,000 (Schedule A-1) and the “proof of revenue” amount of \$14,572,000 shown on Schedule A.2.2.

Response:

(a)

Please refer to the attached Table which has been expanded (Attachments 1 and 2) to show impacts for residential and general service customers in all communities at low, medium and high energy usage. The General Service customer bills have been calculated assuming a 75% load factor. TPSP rates for residential customers have been estimated based on the rates in place at the time of the Corporation’s application.

TPSP has not been estimated for commercial customers, though TPSP is available for businesses to subsidize the first 1000 kWh of electricity each month to the Yellowknife rate for businesses with gross annual revenue of less than \$2 million per year.

(b)

At present, the Corporation anticipates that its next Phase I General Rate Application will be filed early in 2010 for the 2010/11 and 2011/12 test years. The Corporation will continue to review the need for and timing of its next Phase I GRA and cannot commit to a specific filing date at this time.

Following the implementation of the rate adjustments requested in the present Application, the Corporation does not anticipate any rate changes, other than adjustments to stabilization fund riders, prior to the next GRA.

(c)

Please refer to the attached Table, Attachment 3.

(d)

Schedule 1.2 calculates the percentage rate changes by community and customer class for the rate and rider proposals shown in Schedule 1.1. The attached excel file (Attachment 4) contains the formulae that show the calculations of the percentages.

(e)

The \$14.192 million figure in Schedule A.1 reflects the revenue requirement for Inuvik, less the miscellaneous revenues, or the revenues to be recovered from rates assuming a revenue to cost ratio of 100%. The \$14.572 million shown in Schedule A.2.2 is calculated based on the actual rates in place in the 2007/08 year and reflects the fact that rates in Inuvik are presently set slightly higher than the full cost of service (revenue to cost ratio of approximately 103%).

Friday, September 26, 2008

NTPC 2006/07 and 2007/08 GRA Rate Finalization Application
 TGC.NTPC-1a: Customer Bill Comparison
 - Residential Low Consumption

Plant Number	Community	Energy Consumption (kW.h)	Existing Rates						Proposed Rates								Differences				
			Customer Charge (\$/customer)	Energy Charge (c/kWh)	Fuel Rider (c/kWh)	Shortfall Rider (c/kWh)	TPSP Rate (c/kWh)	Bill Before TPSP (\$)	Bill After TPSP (\$)	Customer Charge (\$/customer)	Energy Charge (c/kWh)	Fuel Rider (c/kWh)	Water Rider (c/kWh)	Shortfall Rider (c/kWh)	TPSP Rate (c/kWh)	Bill Before TPSP (\$)	Bill After TPSP (\$)	Before TPSP (\$)	After TPSP (%)	After TPSP (\$)	After TPSP (%)
			A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
1	101 Yellowknife	300	18	23.06	0.00	0.50	23.23	88.69	69.69	18	23.01	0.45	0.55	1.15	24.95	93.49	74.85	4.80	5.4%	5.16	7.4%
2	108 Behchoko	300	18	23.07	0.00	0.50	23.23	88.72	69.69	18	25.96	0.45	0.55	1.15	24.95	102.33	74.85	13.61	15.3%	5.16	7.4%
3	109 Dettah	300	18	83.44	2.14	-1.97	23.23	268.84	69.69	18	83.44	12.75	0.00	-3.96	24.95	294.71	74.85	25.87	9.6%	5.16	7.4%
4	104 Wha Ti	300	18	114.11	2.37	3.58	23.23	378.17	69.69	18	114.11	14.11	0.00	9.55	24.95	431.29	74.85	53.13	14.0%	5.16	7.4%
5	105 Gameti	300	18	73.85	2.16	0.31	23.23	246.96	69.69	18	73.85	12.84	0.00	-0.52	24.95	276.52	74.85	29.56	12.0%	5.16	7.4%
6	110 Lutsel K'e	300	18	15.33	0.00	0.58	23.23	65.72	69.69	18	15.13	0.12	0.00	0.98	24.95	66.70	74.85	0.98	1.5%	5.16	7.4%
7	201 Fort Smith	300	18	17.33	0.00	0.58	23.23	71.72	69.69	18	19.61	0.12	0.00	0.98	24.95	80.14	74.85	8.42	11.7%	5.16	7.4%
8	203 Fort Resolution	300	18	54.97	2.12	5.60	23.23	206.08	69.69	18	54.94	12.62	0.00	13.37	24.95	260.76	74.85	54.68	26.5%	5.16	7.4%
9	205 Fort Simpson	300	18	59.79	2.13	5.02	23.23	218.83	69.69	18	59.34	12.71	0.00	13.02	24.95	273.20	74.85	54.37	24.8%	5.16	7.4%
10	206 Fort Liard	300	18	104.08	2.29	11.01	23.23	370.14	69.69	18	103.86	13.66	0.00	28.50	24.95	456.04	74.85	85.89	23.2%	5.16	7.4%
11	207 Wrigley	300	18	118.63	3.30	19.11	23.23	441.11	69.69	18	118.63	19.63	0.00	39.77	24.95	552.09	74.85	110.97	25.2%	5.16	7.4%
12	208 Nahanni Butte	300	18	103.36	3.01	19.60	23.23	395.90	69.69	18	103.08	17.93	0.00	38.32	24.95	495.99	74.85	100.10	25.3%	5.16	7.4%
13	209 Jean Marie River	300	18	52.60	1.85	1.91	23.23	187.08	69.69	18	52.45	7.70	0.00	4.59	24.95	212.23	74.85	25.15	13.4%	5.16	7.4%
14	301 Inuvik	300	18	39.79	0.00	-1.63	23.23	132.47	69.69	18	39.79	23.51	0.00	-1.93	24.95	202.11	74.85	69.64	52.6%	5.16	7.4%
15	304 Norman Wells	300	18	68.81	2.23	-2.19	23.23	224.55	69.69	18	68.81	13.26	0.00	-3.35	24.95	254.17	74.85	29.61	13.2%	5.16	7.4%
16	305 Tuktoyaktuk	300	18	72.25	2.21	1.79	23.23	246.74	69.69	18	72.25	13.15	0.00	3.84	24.95	285.72	74.85	38.98	15.8%	5.16	7.4%
17	306 Fort McPherson	300	18	63.77	2.32	-5.34	23.23	200.26	69.69	18	63.77	13.81	0.00	-4.61	24.95	236.91	74.85	36.65	18.3%	5.16	7.4%
18	307 Aklavik	300	18	75.55	2.26	0.22	23.23	252.08	69.69	18	75.55	13.47	0.00	2.03	24.95	291.16	74.85	39.08	15.5%	5.16	7.4%
19	308 Deline	300	18	70.42	2.23	-1.17	23.23	232.44	69.69	18	70.42	13.26	0.00	-3.30	24.95	259.14	74.85	26.70	11.5%	5.16	7.4%
20	309 Fort Good Hope	300	18	87.47	2.28	-2.00	23.23	281.25	69.69	18	87.47	13.56	0.00	-5.61	24.95	304.26	74.85	23.01	8.2%	5.16	7.4%
21	310 Tulita	300	18	115.01	2.34	1.86	23.23	375.63	69.69	18	115.01	13.91	0.00	4.06	24.95	416.92	74.85	41.29	11.0%	5.16	7.4%
22	311 Paulatuk	300	18	135.02	2.56	2.97	23.23	439.65	69.69	18	135.02	15.25	0.00	11.63	24.95	503.68	74.85	64.02	14.6%	5.16	7.4%
23	312 Sachs Harbour	300	18	109.54	2.33	-1.22	23.23	349.94	69.69	18	109.54	13.84	0.00	-5.08	24.95	372.90	74.85	22.96	6.6%	5.16	7.4%
24	313 Tsiigehtchic	300	18	245.30	2.68	-14.48	23.23	718.50	69.69	18	245.30	15.93	0.00	-3.77	24.95	790.36	74.85	71.86	10.0%	5.16	7.4%
25	314 Colville Lake	300	18	72.74	2.21	-2.28	23.23	236.02	69.69	18	72.74	13.14	0.00	-5.51	24.95	259.08	74.85	23.06	9.8%	5.16	7.4%
26	315 Ulukhaktok	300	18							18											

Friday, September 26, 2008

NTPC 2006/07 and 2007/08 GRA Rate Finalization Application
 TGC.NTPC-1a: Customer Bill Comparison
 - Residential Average Consumption

Plant Number	Community	Energy Consumption (kW.h)	Customer Charge (\$/customer)	Energy Charge (¢/kWh)	Fuel Rider (¢/kWh)	Existing Rates			Bill Before TPSP (\$)	Bill After TPSP (\$)	Customer Charge (\$/customer)	Energy Charge (¢/kWh)	Fuel Rider (¢/kWh)	Water Rider (¢/kWh)	Proposed Rates			Bill Before TPSP (\$)	Bill After TPSP (\$)	Differences			
						Shortfall Rider (¢/kWh)	TPSP Rate (¢/kWh)	TPSP Rate (¢/kWh)							Shortfall Rider (¢/kWh)	TPSP Rate (¢/kWh)	TPSP Rate (¢/kWh)			Before TPSP (\$)	After TPSP (%)	After TPSP (\$)	After TPSP (%)
		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T		
1	101 Yellowknife	700	18	23.06	0.00	0.50	23.23	182.94	162.61	18	23.01	0.45	0.55	1.15	24.95	194.14	174.65	11.20	6.1%	12.04	7.4%		
2	108 Behchoko	700	18	23.07	0.00	0.50	23.23	183.01	162.61	18	25.96	0.45	0.55	1.15	24.95	214.78	174.65	31.77	17.4%	12.04	7.4%		
3	109 Dettah	700	18	83.44	2.14	-1.97	23.23	603.29	162.61	18	83.44	12.75	0.00	-3.96	24.95	663.65	174.65	60.37	10.0%	12.04	7.4%		
4	104 Wha Ti	700	18	114.11	2.37	-3.58	23.23	858.39	162.61	18	114.11	14.11	0.00	9.55	24.95	982.35	174.65	123.96	14.4%	12.04	7.4%		
5	105 Gameti	700	18	73.85	2.16	0.31	23.23	552.23	162.61	18	73.85	12.84	0.00	-0.52	24.95	621.22	174.65	68.98	12.5%	12.04	7.4%		
6	110 Lutsel K'e	700	18	15.33	0.00	0.58	23.23	129.35	162.61	18	15.13	0.12	0.00	0.98	24.95	131.63	174.65	2.28	1.8%	12.04	7.4%		
7	201 Fort Smith	700	18	17.33	0.00	0.58	23.23	143.35	162.61	18	19.61	0.12	0.00	0.98	24.95	162.99	174.65	19.64	13.7%	12.04	7.4%		
8	203 Fort Resolution	700	18	54.97	2.12	5.60	23.23	456.85	162.61	18	54.94	12.62	0.00	13.37	24.95	584.44	174.65	127.59	27.9%	12.04	7.4%		
9	205 Fort Simpson	700	18	59.79	2.13	5.02	23.23	486.59	162.61	18	59.34	12.71	0.00	13.02	24.95	613.46	174.65	126.87	26.1%	12.04	7.4%		
10	206 Fort Liard	700	18	104.08	2.29	11.01	23.23	839.67	162.61	18	103.86	13.66	0.00	28.50	24.95	1040.09	174.65	200.42	23.9%	12.04	7.4%		
11	207 Wrigley	700	18	118.63	3.30	19.11	23.23	1005.26	162.61	18	118.63	19.63	0.00	39.77	24.95	1264.20	174.65	258.94	25.8%	12.04	7.4%		
12	208 Nahanni Butte	700	18	103.36	3.01	19.60	23.23	899.76	162.61	18	103.08	17.93	0.00	38.32	24.95	1133.32	174.65	233.56	26.0%	12.04	7.4%		
13	209 Jean Marie River	700	18	52.60	1.85	1.91	23.23	412.52	162.61	18	52.45	7.70	0.00	4.59	24.95	471.21	174.65	58.69	14.2%	12.04	7.4%		
14	301 Inuvik	700	18	39.79	0.00	-1.63	23.23	285.09	162.61	18	39.79	23.51	0.00	-1.93	24.95	447.60	174.65	162.50	57.0%	12.04	7.4%		
15	304 Norman Wells	700	18	68.81	2.23	-2.19	23.23	499.96	162.61	18	68.81	13.26	0.00	-3.35	24.95	569.05	174.65	69.10	13.8%	12.04	7.4%		
16	305 Tuktoyaktuk	700	18	72.25	2.21	1.79	23.23	551.72	162.61	18	72.25	13.15	0.00	3.84	24.95	642.68	174.65	90.96	16.5%	12.04	7.4%		
17	306 Fort McPherson	700	18	63.77	2.32	-5.34	23.23	443.27	162.61	18	63.77	13.81	0.00	-4.61	24.95	528.78	174.65	85.51	19.3%	12.04	7.4%		
18	307 Aklavik	700	18	75.55	2.26	0.22	23.23	564.19	162.61	18	75.55	13.47	0.00	2.03	24.95	655.38	174.65	91.19	16.2%	12.04	7.4%		
19	308 Delina	700	18	70.42	2.23	-1.17	23.23	518.36	162.61	18	70.42	13.26	0.00	-3.30	24.95	580.67	174.65	62.30	12.0%	12.04	7.4%		
20	309 Fort Good Hope	700	18	87.47	2.28	-2.00	23.23	632.25	162.61	18	87.47	13.56	0.00	-5.61	24.95	685.95	174.65	53.69	8.5%	12.04	7.4%		
21	310 Tulita	700	18	115.01	2.34	1.86	23.23	852.47	162.61	18	115.01	13.91	0.00	4.06	24.95	948.81	174.65	96.33	11.3%	12.04	7.4%		
22	311 Paulatuk	700	18	135.02	2.56	2.97	23.23	1001.86	162.61	18	135.02	15.25	0.00	11.63	24.95	1151.25	174.65	149.39	14.9%	12.04	7.4%		
23	312 Sachs Harbour	700	18	109.54	2.33	-1.22	23.23	792.52	162.61	18	109.54	13.84	0.00	-5.08	24.95	846.10	174.65	53.58	6.8%	12.04	7.4%		
24	313 Tsiigehtchic	700	18	245.30	2.68	-14.48	23.23	1652.51	162.61	18	245.30	15.93	0.00	-3.77	24.95	1820.18	174.65	167.68	10.1%	12.04	7.4%		
25	314 Colville Lake	700	18	72.74	2.21	-2.28	23.23	526.72	162.61	18	72.74	13.14	0.00	-5.51	24.95	580.53	174.65	53.81	10.2%	12.04	7.4%		
26	315 Ulukhaktok	700	18							18													

Friday, September 26, 2008

NTPC 2006/07 and 2007/08 GRA Rate Finalization Application
 TGC.NTPC-1a: Customer Bill Comparison
 - Residential High Consumption

Plant Number	Community	Energy Consumption (kW.h)	Customer Charge (\$/customer)	Energy Charge (¢/kWh)	Fuel Rider (¢/kWh)	Existing Rates			Bill Before TPSP (\$)	Bill After TPSP (\$)	Customer Charge (\$/customer)	Energy Charge (¢/kWh)	Fuel Rider (¢/kWh)	Water Rider (¢/kWh)	Proposed Rates			Bill Before TPSP (\$)	Bill After TPSP (\$)	Differences			
						Shortfall Rider (¢/kWh)	TPSP Rate (¢/kWh)	TPSP Rate (¢/kWh)							Shortfall Rider (¢/kWh)	TPSP Rate (¢/kWh)	TPSP Rate (¢/kWh)			Before TPSP (\$)	After TPSP (%)	After TPSP (\$)	After TPSP (%)
		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T		
1	101 Yellowknife	1000	18	23.06	0.00	0.50	23.23	253.63	233.30	18	23.01	0.45	0.55	1.15	24.95	269.62	250.14	16.00	6.3%	16.84	7.2%		
2	108 Behchoko	1000	18	23.07	0.00	0.50	23.23	253.73	233.33	18	25.96	0.45	0.55	1.15	24.95	299.11	258.98	45.38	17.9%	25.65	11.0%		
3	109 Dettah	1000	18	83.44	2.14	-1.97	23.23	854.12	413.45	18	83.44	12.75	0.00	-3.96	24.95	940.36	451.36	86.24	10.1%	37.91	9.2%		
4	104 Wha Ti	1000	18	114.11	2.37	-3.58	23.23	1218.56	522.78	18	114.11	14.11	0.00	9.55	24.95	1395.65	587.94	177.08	14.5%	65.17	12.5%		
5	105 Gameti	1000	18	73.85	2.16	0.31	23.23	781.19	391.57	18	73.85	12.84	0.00	-0.52	24.95	879.74	433.17	98.55	12.6%	41.60	10.6%		
6	110 Lutsel K'e	1000	18	15.33	0.00	0.58	23.23	177.08	210.33	18	15.13	0.12	0.00	0.98	24.95	180.33	223.35	3.25	1.8%	13.02	6.2%		
7	201 Fort Smith	1000	18	17.33	0.00	0.58	23.23	197.08	216.33	18	19.61	0.12	0.00	0.98	24.95	225.13	236.79	28.06	14.2%	20.46	9.5%		
8	203 Fort Resolution	1000	18	54.97	2.12	5.60	23.23	644.93	350.69	18	54.94	12.62	0.00	13.37	24.95	827.19	417.41	182.27	28.3%	66.72	19.0%		
9	205 Fort Simpson	1000	18	59.79	2.13	5.02	23.23	687.42	363.44	18	59.34	12.71	0.00	13.02	24.95	868.66	429.85	181.24	26.4%	66.41	18.3%		
10	206 Fort Liard	1000	18	104.08	2.29	11.01	23.23	1191.81	514.75	18	103.86	13.66	0.00	28.50	24.95	1478.13	612.69	286.32	24.0%	97.93	19.0%		
11	207 Wrigley	1000	18	118.63	3.30	19.11	23.23	1428.38	585.72	18	118.63	19.63	0.00	39.77	24.95	1798.29	708.74	369.91	25.9%	123.01	21.0%		
12	208 Nahanni Butte	1000	18	103.36	3.01	19.60	23.23	1277.66	540.51	18	103.08	17.93	0.00	38.32	24.95	1611.31	652.64	333.65	26.1%	112.14	20.7%		
13	209 Jean Marie River	1000	18	52.60	1.85	1.91	23.23	581.59	331.69	18	52.45	7.70	0.00	4.59	24.95	665.44	368.88	83.85	14.4%	37.19	11.2%		
14	301 Inuvik	1000	18	39.79	0.00	-1.63	23.23	399.56	277.08	18	39.79	23.51	0.00	-1.93	24.95	631.71	358.76	232.15	58.1%	81.68	29.5%		
15	304 Norman Wells	1000	18	68.81	2.23	-2.19	23.23	706.51	369.16	18	68.81	13.26	0.00	-3.35	24.95	805.22	410.82	98.71	14.0%	41.65	11.3%		
16	305 Tuktoyaktuk	1000	18	72.25	2.21	1.79	23.23	780.46	391.35	18	72.25	13.15	0.00	3.84	24.95	910.40	442.37	129.94	16.6%	51.02	13.0%		
17	306 Fort McPherson	1000	18	63.77	2.32	-5.34	23.23	625.52	344.87	18	63.77	13.81	0.00	-4.61	24.95	747.69	393.56	122.16	19.5%	48.69	14.1%		
18	307 Aklavik	1000	18	75.55	2.26	0.22	23.23	798.28	396.69	18	75.55	13.47	0.00	2.03	24.95	928.54	447.81	130.27	16.3%	51.12	12.9%		
19	308 Delina	1000	18	70.42	2.23	-1.17	23.23	732.81	377.05	18	70.42	13.26	0.00	-3.30	24.95	821.81	415.79	89.00	12.1%	38.74	10.3%		
20	309 Fort Good Hope	1000	18	87.47	2.28	-2.00	23.23	895.51	425.86	18	87.47	13.56	0.00	-5.61	24.95	972.21	460.91	76.70	8.6%	35.05	8.2%		
21	310 Tulita	1000	18	115.01	2.34	1.86	23.23	1210.11	520.24	18	115.01	13.91	0.00	4.06	24.95	1347.72	573.57	137.62	11.4%	53.33	10.3%		
22	311 Paulatuk	1000	18	135.02	2.56	2.97	23.23	1423.51	584.26	18	135.02	15.25	0.00	11.63	24.95	1636.92	660.33	213.41	15.0%	76.06	13.0%		
23	312 Sachs Harbour	1000	18	109.54	2.33	-1.22	23.23	1124.45	494.55	18	109.54	13.84	0.00	-5.08	24.95	1201.00	529.55	76.54	6.8%	35.00	7.1%		
24	313 Tsiigehtchic	1000	18	245.30	2.68	-14.48	23.23	2353.01	863.11	18	245.30	15.93	0.00	-3.77	24.95	2592.54	947.01	239.54	10.2%	83.90	9.7%		
25	314 Colville Lake	1000	18	72.74	2.21	-2.28	23.23	744.74	380.63	18	72.74	13.14	0.00	-5.51	24.95	821.61	415.73	76.88	10.3%	35.10	9.2%		
26	315 Ulukhaktok	1000	18																				

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NTPC 2006/07 and 2007/08 GRA Rate Finalization Application
 TGC.NTPC-1a: Customer Bill Comparison
 - General Service Low Consumption

Plant Number	Community	Existing Rates		Proposed Rates							Differences						
		Energy Consumption (kW.h)	Demand (kW)	Demand Charge (\$/kW)	Energy Charge (¢/kWh)	Fuel Rider (¢/kWh)	Shortfall Rider (¢/kWh)	Bill (\$)	Demand Charge (\$/kW)	Energy Charge (¢/kWh)	Fuel Rider (¢/kWh)	Water Rider (¢/kWh)	Shortfall Rider (¢/kWh)	Bill (\$)	(\$)	(%)	
		A	B	C	D	E	F	G	I	J	K	L	M	N	P	Q	
1	101 Yellowknife																
2	108 Behchoko	1000	5	8	28.83	0.00	0.50	333	8	28.78	0.45	0.55	1.15	349	15.97	4.8%	
3	109 Dettah	1000	5	8	28.88	0.00	0.50	334	8	32.64	0.45	0.55	1.15	388	54.10	16.2%	
4	104 Wha Ti	1000	5	8	77.37	2.14	-1.97	815	8	77.37	12.75	0.00	-3.96	902	86.18	10.6%	
5	105 Gameti	1000	5	8	133.49	2.37	3.58	1,434	8	133.49	14.11	0.00	9.55	1,611	177.06	12.3%	
6	110 Lutsel K'e	1000	5	8	68.34	2.16	0.31	748	8	68.34	12.84	0.00	-0.52	847	98.57	13.2%	
7	201 Fort Smith	1000	5	8	11.86	0.00	0.58	164	8	11.65	0.12	0.00	0.98	168	3.19	1.9%	
8	203 Fort Resolution	1000	5	8	14.96	0.00	0.58	195	8	16.88	0.12	0.00	0.98	220	24.50	12.5%	
9	205 Fort Simpson	1000	5	8	45.88	2.12	5.60	576	8	45.84	12.62	0.00	13.37	758	182.19	31.6%	
10	206 Fort Liard	1000	5	8	52.10	2.13	5.02	633	8	51.66	12.71	0.00	13.02	814	181.29	28.7%	
11	207 Wrigley	1000	5	8	113.65	2.29	11.01	1,310	8	113.42	13.66	0.00	28.50	1,596	286.29	21.9%	
12	208 Nahanni Butte	1000	5	8	166.88	3.30	19.11	1,933	8	166.88	19.63	0.00	39.77	2,303	369.99	19.1%	
13	209 Jean Marie River	1000	5	8	155.30	3.01	19.60	1,819	8	155.02	17.93	0.00	38.32	2,153	333.67	18.3%	
14	301 Inuvik	1000	5	8	45.92	1.85	1.91	537	8	45.78	7.70	0.00	4.59	621	83.92	15.6%	
15	304 Norman Wells	1000	5	8	35.70	0.00	-1.63	381	8	35.70	23.51	0.00	-1.93	613	232.07	61.0%	
16	305 Tuktoyaktuk	1000	5	8	60.87	2.23	-2.19	649	8	60.87	13.26	0.00	-3.35	748	98.75	15.2%	
17	306 Fort McPherson	1000	5	8	65.30	2.21	1.79	733	8	65.30	13.15	0.00	3.84	863	129.92	17.7%	
18	307 Aklavik	1000	5	8	60.88	2.32	-5.34	619	8	60.88	13.81	0.00	-4.61	741	122.18	19.7%	
19	308 Deline	1000	5	8	70.86	2.26	0.22	773	8	70.86	13.47	0.00	2.03	904	130.17	16.8%	
20	309 Fort Good Hope	1000	5	8	61.43	2.23	-1.17	665	8	61.43	13.26	0.00	-3.30	754	88.96	13.4%	
21	310 Tulita	1000	5	8	84.43	2.28	-2.00	887	8	84.43	13.56	0.00	-5.61	964	76.63	8.6%	
22	311 Paulatuk	1000	5	8	108.24	2.34	1.86	1,164	8	108.24	13.91	0.00	4.06	1,302	137.61	11.8%	
23	312 Sachs Harbour	1000	5	8	125.47	2.56	2.97	1,350	8	125.47	15.25	0.00	11.63	1,563	213.44	15.8%	
24	313 Tsigehtchic	1000	5	8	96.67	2.33	-1.22	1,018	8	96.67	13.84	0.00	-5.08	1,094	76.63	7.5%	
25	314 Colville Lake	1000	5	8	215.29	2.68	-14.48	2,075	8	215.29	15.93	0.00	-3.77	2,314	239.57	11.5%	
26	315 Ulukhaktok	1000	5	8	66.02	2.21	-2.28	700	8	66.02	13.14	0.00	-5.51	777	76.97	11.0%	

Note: Assume 75% Load Factor over 30 days.

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NTPC 2006/07 and 2007/08 GRA Rate Finalization Application
 TGC.NTPC-1a: Customer Bill Comparison
 - General Service Average Consumption

Plant Number	Community	Energy Consumption (kW.h)		Existing Rates					Proposed Rates					Differences			
		A	B	C	D	E	F	G	I	J	K	L	M	N	P	Q	
																	Demand (kW)
1	101 Yellowknife																
2	108 Behchoko	5000	9	8	28.83	0.00	0.50	1,541	8	28.78	0.45	0.55	1.15	1,621	79.86	5.2%	
3	109 Dettah	5000	9	8	28.88	0.00	0.50	1,543	8	32.64	0.45	0.55	1.15	1,814	270.49	17.5%	
4	104 Wha Ti	5000	9	8	77.37	2.14	-1.97	3,951	8	77.37	12.75	0.00	-3.96	4,382	430.92	10.9%	
5	105 Gameti	5000	9	8	133.49	2.37	3.58	7,046	8	133.49	14.11	0.00	9.55	7,931	885.32	12.6%	
6	110 Lutsel K'e	5000	9	8	68.34	2.16	0.31	3,615	8	68.34	12.84	0.00	-0.52	4,107	492.84	13.6%	
7	201 Fort Smith	5000	9	8	11.86	0.00	0.58	696	8	11.65	0.12	0.00	0.98	712	15.94	2.3%	
8	203 Fort Resolution	5000	9	8	14.96	0.00	0.58	851	8	16.88	0.12	0.00	0.98	973	122.51	14.4%	
9	205 Fort Simpson	5000	9	8	45.88	2.12	5.60	2,754	8	45.84	12.62	0.00	13.37	3,665	910.97	33.1%	
10	206 Fort Liard	5000	9	8	52.10	2.13	5.02	3,037	8	51.66	12.71	0.00	13.02	3,943	906.45	29.9%	
11	207 Wrigley	5000	9	8	113.65	2.29	11.01	6,422	8	113.42	13.66	0.00	28.50	7,853	1431.46	22.3%	
12	208 Nahanni Butte	5000	9	8	166.88	3.30	19.11	9,538	8	166.88	19.63	0.00	39.77	11,388	1849.96	19.4%	
13	209 Jean Marie River	5000	9	8	155.30	3.01	19.60	8,969	8	155.02	17.93	0.00	38.32	10,638	1668.33	18.6%	
14	301 Inuvik	5000	9	8	45.92	1.85	1.91	2,558	8	45.78	7.70	0.00	4.59	2,978	419.58	16.4%	
15	304 Norman Wells	5000	9	8	35.70	0.00	-1.63	1,777	8	35.70	23.51	0.00	-1.93	2,938	1160.37	65.3%	
16	305 Tuktoyaktuk	5000	9	8	60.87	2.23	-2.19	3,120	8	60.87	13.26	0.00	-3.35	3,613	493.73	15.8%	
17	306 Fort McPherson	5000	9	8	65.30	2.21	1.79	3,539	8	65.30	13.15	0.00	3.84	4,188	649.58	18.4%	
18	307 Aklavik	5000	9	8	60.88	2.32	-5.34	2,967	8	60.88	13.81	0.00	-4.61	3,578	610.88	20.6%	
19	308 Deline	5000	9	8	70.86	2.26	0.22	3,741	8	70.86	13.47	0.00	2.03	4,392	650.85	17.4%	
20	309 Fort Good Hope	5000	9	8	61.43	2.23	-1.17	3,199	8	61.43	13.26	0.00	-3.30	3,643	444.79	13.9%	
21	310 Tulita	5000	9	8	84.43	2.28	-2.00	4,310	8	84.43	13.56	0.00	-5.61	4,693	383.17	8.9%	
22	311 Paulatuk	5000	9	8	108.24	2.34	1.86	5,696	8	108.24	13.91	0.00	4.06	6,384	688.05	12.1%	
23	312 Sachs Harbour	5000	9	8	125.47	2.56	2.97	6,624	8	125.47	15.25	0.00	11.63	7,691	1067.20	16.1%	
24	313 Tsigehtchic	5000	9	8	96.67	2.33	-1.22	4,963	8	96.67	13.84	0.00	-5.08	5,346	383.15	7.7%	
25	314 Colville Lake	5000	9	8	215.29	2.68	-14.48	10,249	8	215.29	15.93	0.00	-3.77	11,446	1197.86	11.7%	
26	315 Ulukhaktok	5000	9	8	66.02	2.21	-2.28	3,372	8	66.02	13.14	0.00	-5.51	3,757	384.83	11.4%	

Note: Assume 75% Load Factor over 30 days.

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NTPC 2006/07 and 2007/08 GRA Rate Finalization Application
 TGC.NTPC-1a: Customer Bill Comparison
 - General Service High Consumption

Plant Number	Community	Existing Rates							Proposed Rates						Differences	
		Energy Consumption (kW.h)	Demand (kW)	Demand Charge (\$/kW)	Energy Charge (¢/kWh)	Fuel Rider (¢/kWh)	Shortfall Rider (¢/kWh)	Bill Before TPSP (\$)	Demand Charge (\$/kW)	Energy Charge (¢/kWh)	Fuel Rider (¢/kWh)	Water Rider (¢/kWh)	Shortfall Rider (¢/kWh)	Bill Before TPSP (\$)	Before TPSP (\$)	Before TPSP (%)
		A	B	C	D	E	F	G	I	J	K	L	M	N	P	Q
1	101 Yellowknife															
2	108 Behchoko	10000	19	8	28.83	0.00	0.50	3,081	8	28.78	0.45	0.55	1.15	3,241	160	5.2%
3	109 Dettah	10000	19	8	28.88	0.00	0.50	3,086	8	32.64	0.45	0.55	1.15	3,627	541	17.5%
4	104 Wha Ti	10000	19	8	77.37	2.14	-1.97	7,902	8	77.37	12.75	0.00	-3.96	8,764	862	10.9%
5	105 Gameti	10000	19	8	133.49	2.37	3.58	14,092	8	133.49	14.11	0.00	9.55	15,862	1,771	12.6%
6	110 Lutsel K'e	10000	19	8	68.34	2.16	0.31	7,229	8	68.34	12.84	0.00	-0.52	8,215	986	13.6%
7	201 Fort Smith	10000	19	8	11.86	0.00	0.58	1,392	8	11.65	0.12	0.00	0.98	1,424	32	2.3%
8	203 Fort Resolution	10000	19	8	14.96	0.00	0.58	1,702	8	16.88	0.12	0.00	0.98	1,947	245	14.4%
9	205 Fort Simpson	10000	19	8	45.88	2.12	5.60	5,508	8	45.84	12.62	0.00	13.37	7,330	1,822	33.1%
10	206 Fort Liard	10000	19	8	52.10	2.13	5.02	6,073	8	51.66	12.71	0.00	13.02	7,886	1,813	29.9%
11	207 Wrigley	10000	19	8	113.65	2.29	11.01	12,843	8	113.42	13.66	0.00	28.50	15,706	2,863	22.3%
12	208 Nahanni Butte	10000	19	8	166.88	3.30	19.11	19,077	8	166.88	19.63	0.00	39.77	22,777	3,700	19.4%
13	209 Jean Marie River	10000	19	8	155.30	3.01	19.60	17,939	8	155.02	17.93	0.00	38.32	21,275	3,337	18.6%
14	301 Inuvik	10000	19	8	45.92	1.85	1.91	5,116	8	45.78	7.70	0.00	4.59	5,955	839	16.4%
15	304 Norman Wells	10000	19	8	35.70	0.00	-1.63	3,555	8	35.70	23.51	0.00	-1.93	5,876	2,321	65.3%
16	305 Tuktoyaktuk	10000	19	8	60.87	2.23	-2.19	6,239	8	60.87	13.26	0.00	-3.35	7,227	987	15.8%
17	306 Fort McPherson	10000	19	8	65.30	2.21	1.79	7,078	8	65.30	13.15	0.00	3.84	8,377	1,299	18.4%
18	307 Aklavik	10000	19	8	60.88	2.32	-5.34	5,934	8	60.88	13.81	0.00	-4.61	7,156	1,222	20.6%
19	308 Deline	10000	19	8	70.86	2.26	0.22	7,482	8	70.86	13.47	0.00	2.03	8,784	1,302	17.4%
20	309 Fort Good Hope	10000	19	8	61.43	2.23	-1.17	6,397	8	61.43	13.26	0.00	-3.30	7,287	890	13.9%
21	310 Tulita	10000	19	8	84.43	2.28	-2.00	8,619	8	84.43	13.56	0.00	-5.61	9,386	766	8.9%
22	311 Paulatuk	10000	19	8	108.24	2.34	1.86	11,392	8	108.24	13.91	0.00	4.06	12,768	1,376	12.1%
23	312 Sachs Harbour	10000	19	8	125.47	2.56	2.97	13,248	8	125.47	15.25	0.00	11.63	15,383	2,134	16.1%
24	313 Tsigehtchic	10000	19	8	96.67	2.33	-1.22	9,926	8	96.67	13.84	0.00	-5.08	10,692	766	7.7%
25	314 Colville Lake	10000	19	8	215.29	2.68	-14.48	20,497	8	215.29	15.93	0.00	-3.77	22,893	2,396	11.7%
26	315 Ulukhaktok	10000	19	8	66.02	2.21	-2.28	6,744	8	66.02	13.14	0.00	-5.51	7,513	770	11.4%

Note: Assume 75% Load Factor over 30 days.

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NTPC 2006/07 and 2007/08 GRA Rate Finalization Application
TGC.NTPC-1c: Shortfall Rider Collection before and after 15% Cap Comparison

Plant Number	Community	Forecast Sales	Shortfall Rider	Shortfall Rider	Shortfall	Shortfall	Difference	
		From Oct. 1, 2008 Mar. 31, 2010 (MWh)	with No Cap (¢/kWh)	with Cap (¢/kWh)	Collection before Cap (\$000)	Collection after Cap (\$000)	(\$000)	(%)
		A	B	C	D	E	F	G
101/108/109	YK Snare System	301,607	1.10	1.15	3,306	3,469	163	4.9%
104	Wha Ti	2,303	(4.01)	(3.96)	(92)	(91)	1	-1.3%
105	Gameti	1,260	9.49	9.55	120	120	1	0.6%
110	Lutzel K'e	2,280	(0.57)	(0.52)	(13)	(12)	1	-9.4%
201/203	Taltson System	98,247	0.93	0.98	914	968	53	5.8%
205	Fort Simpson	11,978	14.63	13.37	1,753	1,601	(152)	-8.7%
206	Fort Liard	3,166	12.96	13.02	410	412	2	0.4%
207	Wrigley	864	33.15	28.50	286	246	(40)	-14.0%
208	Nahanni Butte	538	44.52	39.77	240	214	(26)	-10.7%
209	Jean Marie River	362	53.56	38.32	194	139	(55)	-28.5%
301	Inuvik	46,857	4.54	4.59	2,127	2,153	25	1.2%
304	Norman Wells	15,548	(1.99)	(1.93)	(309)	(301)	8	-2.7%
305	Tuktoyaktuk	5,453	(3.40)	(3.35)	(186)	(183)	3	-1.6%
306	Fort McPherson	4,482	3.78	3.84	170	172	2	1.4%
307	Aklavik	4,088	(4.67)	(4.61)	(191)	(189)	2	-1.2%
308	Deline	3,751	1.98	2.03	74	76	2	2.7%
309	Fort Good Hope	4,191	(3.36)	(3.30)	(141)	(138)	2	-1.6%
310	Tulit'a	2,132	(5.67)	(5.61)	(121)	(120)	1	-1.0%
311	Paulatuk	1,145	4.00	4.06	46	46	1	1.4%
312	Sachs Harbour	1,023	11.58	11.63	118	119	1	0.5%
313	Tsiigehtchic	491	(5.13)	(5.08)	(25)	(25)	0	-1.1%
314	Colville Lake	2,721	(3.83)	(3.77)	(104)	(103)	1	-1.4%
315	Ulukhaktok	3,476	(5.57)	(5.51)	(194)	(192)	2	-1.0%
Total		517,964			8,383	8,383	-	0.0%

Friday, September 26, 2008

NTPC 2006/07 and 2007/08 Phase II GRA Rate Finalization Application
TGC. NTPC-1d - Schedule 1.1: Rate and Rider Change Summary

Plant Number	Community	Current Base Rate ¹					Current	Current	Proposed Base Rate					Proposed	Proposed	Proposed
		Residential (¢/kWh)	General Service (¢/kWh)	Lighting ² (¢/kWh)	Wholesale (¢/kWh)	Industrial (¢/kWh)	Fuel Rider (¢/kWh)	Shortfall Rider (¢/kWh)	Residential (¢/kWh)	General Service (¢/kWh)	Lighting (¢/kWh)	Wholesale (¢/kWh)	Industrial (¢/kWh)	Fuel Rider (¢/kWh)	Water Stab Fund Rider (¢/kWh)	Shortfall Rider with 15% Cap (¢/kWh)
		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
101	Yellowknife	-	-	-	13.52	10.53		0.50	-	-	-	13.46	10.07	0.45	0.55	1.15
108	Behchoko	23.06	28.83	69.96	-	-		0.50	23.01	28.78	69.90	-	-	0.45	0.55	1.15
109	Dettah	23.07	28.88	52.30	-	-		0.50	25.96	32.64	59.57	-	-	0.45	0.55	1.15
104	Wha Ti	83.44	77.37	137.75	-	-	2.14	(1.97)	83.44	77.37	137.75	-	-	12.75		(3.96)
105	Gameti	114.11	133.49	151.15	-	-	2.37	3.58	114.11	133.49	151.15	-	-	14.11		9.55
110	Lutsel K'e	73.85	68.34	120.22	-	-	2.16	0.31	73.85	68.34	120.22	-	-	12.84		(0.52)
201	Fort Smith	15.33	11.86	23.16	7.76	-		0.58	15.13	11.65	22.96	7.37	-	0.12		0.98
203	Fort Resolution	17.33	14.96	28.90	-	-		0.58	19.61	16.88	32.92	-	-	0.12		0.98
205	Fort Simpson	54.97	45.88	63.91	-	-	2.12	5.60	54.94	45.84	63.87	-	-	12.62		13.37
206	Fort Liard	59.79	52.10	102.17	-	-	2.13	5.02	59.34	51.66	101.73	-	-	12.71		13.02
207	Wrigley	104.08	113.65	158.23	-	-	2.29	11.01	103.86	113.42	158.01	-	-	13.66		28.50
208	Nahanni Butte	118.63	166.88	207.61	-	-	3.30	19.11	118.63	166.88	207.61	-	-	19.63		39.77
209	Jean Marie River	103.36	155.30	222.69	-	-	3.01	19.60	103.08	155.02	222.41	-	-	17.93		38.32
301	Inuvik	52.60	45.92	63.04	-	-	1.85	1.91	52.45	45.78	62.89	-	-	7.70		4.59
304	Norman Wells	39.79	35.70	54.80	-	-		(1.63)	39.79	35.70	54.80	-	-	23.51		(1.93)
305	Tuktoyaktuk	68.81	60.87	94.07	-	-	2.23	(2.19)	68.81	60.87	94.07	-	-	13.26		(3.35)
306	Fort McPherson	72.25	65.30	81.80	-	-	2.21	1.79	72.25	65.30	81.80	-	-	13.15		3.84
307	Aklavik	63.77	60.88	86.26	-	-	2.32	(5.34)	63.77	60.88	86.26	-	-	13.81		(4.61)
308	Deline	75.55	70.86	63.70	-	-	2.26	0.22	75.55	70.86	63.70	-	-	13.47		2.03
309	Fort Good Hope	70.42	61.43	82.44	-	-	2.23	(1.17)	70.42	61.43	82.44	-	-	13.26		(3.30)
310	Tulita	87.47	84.43	101.17	-	-	2.28	(2.00)	87.47	84.43	101.17	-	-	13.56		(5.61)
311	Paulatuk	115.01	108.24	128.20	-	-	2.34	1.86	115.01	108.24	128.20	-	-	13.91		4.06
312	Sachs Harbour	135.02	125.47	145.98	-	-	2.56	2.97	135.02	125.47	145.98	-	-	15.25		11.63
313	Tsiigehtchic	109.54	96.67	139.70	-	-	2.33	(1.22)	109.54	96.67	139.70	-	-	13.84		(5.08)
314	Colville Lake	245.30	215.29	588.10	-	-	2.68	(14.48)	245.30	215.29	588.10	-	-	15.93		(3.77)
315	Ulukhaktok	72.74	66.02	95.44	-	-	2.21	(2.28)	72.74	66.02	95.44	-	-	13.14		(5.51)

Notes:

1. From Board Order 20-2007 rate schedules
2. Lighting base rates estimated based on revenue divide by energy sales

Friday, September 26, 2008

NTPC 2006/07 and 2007/08 Phase II GRA Rate Finalization Application

TGC.NTPC-1d - Schedule 1.2: Rate and Rider Change Summary

Plant Number	Community	% Changes without stab fund riders					% Changes with stab fund riders				
		Residential	General Service	Lighting	Wholesale	Industrial	Residential	General Service	Lighting	Wholesale	Industrial
		A	B	C	D	E	F	G	H	I	J
101	Yellowknife				4.17%	1.68%				11.31%	10.76%
108	Behchoko	2.54%	2.03%	0.84%			6.79%	5.44%	2.27%		
109	Dettah	15.00%	15.00%	15.00%			19.25%	18.41%	16.90%		
104	Wha Ti	-2.43%	-2.64%	-1.46%			10.31%	11.11%	6.25%		
105	Gameti	5.07%	4.36%	3.86%			14.75%	12.70%	11.27%		
110	Lutsel K'e	-1.11%	-1.20%	-0.69%			12.91%	13.92%	8.03%		
201	Fort Smith	1.29%	1.60%	0.85%	0.21%		2.04%	2.56%	1.35%	1.64%	
203	Fort Resolution	15.00%	15.00%	15.00%			15.67%	15.77%	15.41%		
205	Fort Simpson	12.76%	15.00%	11.12%			29.07%	33.99%	25.44%		
206	Fort Liard	11.65%	13.22%	7.04%			27.07%	30.60%	16.58%		
207	Wrigley	15.00%	13.85%	10.20%			24.39%	22.55%	16.69%		
208	Nahanni Butte	15.00%	11.11%	9.11%			26.23%	19.55%	16.08%		
209	Jean Marie River	15.00%	10.55%	7.61%			26.49%	18.76%	13.60%		
301	Inuvik	4.65%	5.32%	3.91%			14.88%	16.89%	12.56%		
304	Norman Wells	-0.78%	-0.89%	-0.56%			60.84%	68.12%	43.66%		
305	Tuktoyaktuk	-1.74%	-1.97%	-1.26%			14.34%	16.21%	10.49%		
306	Fort McPherson	2.77%	3.05%	2.46%			17.04%	18.75%	15.15%		
307	Aklavik	1.24%	1.31%	0.90%			20.11%	21.11%	14.67%		
308	Deline	2.40%	2.55%	2.84%			16.69%	17.75%	19.68%		
309	Fort Good Hope	-3.08%	-3.55%	-2.63%			12.45%	14.24%	10.66%		
310	Tulita	-4.22%	-4.39%	-3.64%			8.74%	9.05%	7.56%		
311	Paulatuk	1.88%	1.99%	1.69%			11.54%	12.24%	10.40%		
312	Sachs Harbour	6.27%	6.74%	5.81%			15.18%	16.29%	14.09%		
313	Tsiighehtchic	-3.56%	-4.03%	-2.78%			6.92%	7.84%	5.44%		
314	Colville Lake	4.64%	5.33%	1.87%			10.26%	11.77%	4.16%		
315	Ulukhaktok	-4.60%	-5.07%	-3.47%			10.58%	11.67%	8.06%		

Topic: GNWT Review of Rate Regulation and Subsidies

Reference: Page 1-7

Preamble:

Further clarification is required in respect of the following statement:

Further, the GNWT is currently conducting a review of rate regulation and subsidies that may impact further rate rebalancing directions between customer classes and communities. [Page 1-7]

Request:

- a) Please provide copies of correspondence from GNWT supporting the initiation of the above noted “review of rate regulation and subsidies”.
- b) Please provide copies of all papers and other related correspondence from the GNWT, NTPC, and any other parties in connection with this review.
- c) Please explain if NTPC has consulted with any of its affected customers groups as to any position(s) taken by it in connection with this review. If none, please explain why.
- d) Please provide the end-date for completion of this review.
- e) NTPC states such a review may impact “future rate rebalancing”; please explain what is meant by this statement.

Response:

(a)

Please see the attached Northwest Territories Hansard, February 20, 2008 pages 459 to 465, and in particular the comments of Minister Bob McLeod, Minister of Industry Tourism and Investment and Minister for the Public Utilities Board starting at page 463.

(b), (c) and (d)

As noted in (a) above, the review is being led by the Government of the Northwest Territories. Public consultation in the process is scheduled for fall 2008. Detailed reports are to be provided for Cabinet's consideration in 2009.

NTPC is not aware of any public correspondence in respect of the review.

(e)

Please see (a) above.

Motions

MOTION 5-16(2)
RECONSIDERATION OF
POWER RATE STRUCTURE,
MOTION AS AMENDED CARRIED

Mr. Krutko: Mr. Speaker:

WHEREAS electric power is an essential service;

AND WHEREAS power rates across the Northwest Territories are presently established on a community-by-community basis in accordance with Public Utilities Board direction set in the mid-1990s;

AND WHEREAS the current structure results in small communities that depend on diesel-generated power paying exorbitant and unstable rates;

AND WHEREAS power rates are one of the main drivers for the high cost of living in small communities, and discourage local economic development;

AND WHEREAS residents of these communities are doubly burdened because they must also indirectly pay the high power costs passed on to them by businesses such as grocery stores;

AND WHEREAS the current Territorial Power Subsidy Program is not adequate or sustainable for these communities;

AND WHEREAS the complexity of the existing rate structure increases regulatory costs, which are also passed on to consumers;

AND WHEREAS the current rate structure does not allow upfront capital costs for small projects, such as micro-hydro, to be spread over the system, making investment in more environmentally sustainable energy generation difficult to put in place;

AND WHEREAS the 16th Legislative Assembly has agreed that one of its priorities is to pursue initiatives to reduce the cost of living, and in particular energy costs, in support of the goal of sustainable, vibrant and safe communities;

AND WHEREAS other Canadian jurisdictions have implemented levelized power rate zones in place of community-by-community rates;

AND WHEREAS legislation in both the Yukon and Nunavut allows the territorial governments to provide direction to the utilities boards;

NOW THEREFORE, I move, seconded by the hon. Member for Nahendeh, that this Legislative Assembly strongly recommends that the Government initiate the necessary policy changes, and bring forward the necessary legislative amendments, to make possible the consideration of

levelized power rates for the Northwest Territories at the time of the NWT Power Corporation's next General Rate Application;

AND FURTHER, that this Legislative Assembly strongly recommends that these legislative amendments include, if necessary, changes to the Public Utilities Act which would give the Government authority to provide direction to the Public Utilities Board;

AND FURTHER, that this Legislative Assembly strongly recommends that the Government instruct the NWT Power Corporation to base its next General Rate Application on a levelized rate structure;

AND FURTHERMORE that this Legislative Assembly recommends the Government provide a response to this motion within 120 days.

Mr. Speaker: Thank you, Mr. Krutko. The motion is on the floor. The motion is in order.

Before I allow debate on the motion, the Chair is going to call a short break.

The House took a short recess.

Mr. Speaker: I call the House back to order. Before the break there was a motion put on the floor. The motion is in order. To the motion.

Mr. Krutko: Mr. Speaker, in regard to the motion considering the possibility of levelized rates in the Northwest Territories, I think it's long overdue in realizing the costs to this government: the cost of administering the Territorial subsidy program, the housing subsidy for power, the cost to proceed with the general rate applications. We're looking in the range of some \$60 million if you add it all up. I think that, as a government, we realize the implications that it has and the possibility of re-profiling those dollars to really deal with the cost of living and bring down the cost of energy in our communities.

Mr. Speaker, we all know the cost to this government by way of reviewing rate applications and filing rate applications. You're filing some 28 applications in regard to PUB hearings. Twenty-eight applications. Through this process you are possibly looking at three applications: one for diesel communities, one for gas communities and one for hydro communities. Looking at the cost of that to this government right now, it costs in the range of \$2 million to \$3 million just to go through the application process of filing a general rate application.

I think we have to look at this in the confines of how we ourselves as government can improve the cost of living in communities but also realizing the savings that we could put in place as a government by these different initiatives.

In regard to the statement made by the Minister of Energy yesterday, this is exactly where this motion will take us. I think that by taking that direction and realizing the importance of that, we have to realize we cannot seriously function in the Northwest Territories with these rates.

The biggest benefactors of these changes will be the communities. The high costs of these rates, regardless of whether you bring in the subsidy — the subsidy will still have to remain. But I think it's important to realize that in doing a rough adjustment, just going back to the application that was filed in regard to one rate zone, at that time they were looking at a rate system for hydro communities, diesel communities and gas communities of 24 cents per kilowatt throughout the whole Northwest Territories. That was based on a one-rate-zone application.

Looking at these statistics, talking to people within the Power Corporation, they figure that the cost to implement levelized rates in diesel communities is somewhere in the 30-cent range. Look at the power rates using kobalite, for instance: \$2.65. I met with the Arctic Co-operatives Limited and discussed this issue with them. The biggest cost driver for them to deliver their products in their communities is the cost of energy. Most communities spend in excess of, in some cases, \$15,000 to \$20,000 a month to basically provide power. I know that McPherson, for instance — I had a co-op there — they are in the hole some \$200,000 because they just can't have enough revenues coming in for the high cost they pay for the power.

Yet, through this process that we're talking about implementing, there was discussion about implementing a subsidy by way of a commercial subsidy, which would have cost us an additional \$5 million to what we're already paying. I think it's important that we take that into account. I think it's important that through the whole idea of finding ways of stimulating our communities, stimulating our economies, it will do a lot more to stimulate the economy by bringing down those energy costs to the construction industry, to the general stores, to the co-ops, to the business community in our communities. Basically, this will fill in for that subsidy. It will make their businesses sustainable in these communities and also make developing small businesses and looking at initiatives in those communities more viable than it is right now.

That is an incentive, as government is realizing. We have a lot of discussion with regard to employment/unemployment statistics, small communities, large communities. More importantly, I think it's realizing the importance that this will have. I know there are concerns in regard to looking at a system that is going to be fair. But, again, we have to start somewhere. I believe that through this motion, through the Minister's

statement yesterday in the House, it will eventually get us there.

Mr. Speaker, I'd just like to read for the record a decision that was made by the Public Utilities Board in Decision 5-95. It clearly states that the board is deeply concerned about the affordability of power rates in the Northwest Territories. The board fully recognizes the potential impact on diesel communities to have power rates which reflect costs. The board believes it is the responsibility of the Government of the Northwest Territories to set policy with respect to matters of social engineering. The board anticipates it must consider the public's interest in formulating its decision. However, the board does not believe that it should decide the extent to which one group or the other has to pay for these subsidies.

But more importantly, Mr. Speaker, I'd just like to state in closing up that it's the board that recognizes this by way of the Public Utilities Board, and it's the government that has to set the policy direction, either by way of legislation or by way of policy. This motion directs the government to seriously consider that.

Mr. Speaker, I do look forward to debate on this motion and also ask for the support of the Members of this House so we can proceed and deal with a direction we set as the 16th Assembly to look at energy costs and bring down the high cost of energy in a lot of our small communities.

Mr. Speaker: To the motion.

Mr. Abernethy: I MOVE, seconded by the honourable Member for Frame Lake, that Motion 5-16(2) be amended as follows:

By inserting the words "communities that rely on diesel-generated power in" in paragraph 12 immediately after the words "consideration of levelized power rates for";

AND FURTHER:

By inserting the words "for communities that rely on diesel-generated power" in paragraph 14 immediately after the words "on a levelized rate structure."

Mr. Speaker: Motion is on the floor. Motion is in order. To the amendment. Question is being called.

Motion carried.

Mr. Speaker: To the motion as amended.

Mr. Menicoche: Once again, we're urging government to levelize our electricity rates in the North. Once again, we're asking government that... Electrical power's an essential service. That's something that none of our communities can get by without. We've got many, many remote

communities that operate on diesel-generated services and our community-rate-based structure. There's no equity in that for our communities, Mr. Speaker. We're expecting small communities such as Nahanni Butte, Colville Lake, Jean Marie to pay for the O&M and infrastructure of our power systems in those communities.

We cannot continue to allow that to happen. Any time one household attempts to save power by generating their own power or finding alternate means, that means everybody else has to pay. The way the structure's set now, the Power Corp has to recover all O&M costs. As ridiculous as it may sound, if there's only one household attached to that power-grid system, he's paying for the whole operating and maintenance cost of that diesel system in that community, Mr. Speaker. That's incredible. I don't see how we've done it for so long, especially in this day and age. There's just no room for that.

In my election campaign — in both of them — the one-rate power zone is still a priority in my communities. This motion, of course, speaks to levelizing the rates in the diesel communities, which I'll certainly support. It's one small step in making life a lot easier, one small step in making the cost of living a lot cheaper in our small and remote communities, which diesel generation affects. I certainly support it.

Over time we've always been finding that government has always said... It seems like that's the only system they know, so they will continue doing it this way. We know through research and asking questions that all the jurisdictions in Canada operate on levelized rate zones.

Some of them maintain their one-way zones, like in Alberta. Northern Alberta doesn't pay any less or any more than southern Alberta for their power rates. But in other communities — in other districts like Saskatchewan — the Northern communities do have a different rate zone. But it's for the diesel communities and they all pay the same rates.

That's something we should be gravitating toward. I've always believed that we're government and we listen to the people, and if the people want levelized rate zones, then I believe that's the direction in which government should be moving.

We're governing the people, and we should be listening to them if the people want levelized rate zones. Not to mention that 30 cents per kilowatt-hour that my honourable colleague put out there. That goes a long way in stimulating and having more disposable income in the pockets of our people and our businesses that are out there suffering.

I too have many, many businesses in my communities that are struggling because of the

higher rate zones in our communities, as well as the riders that are there. The rate riders are there because costs are rising, but there again, it has a ripple effect. It means the costs are rising for our small businesses and our people as well.

But as government, we have a role to play. We have a role in helping our communities, our businesses and our people. Hopefully, the government will really consider this motion this time. We've done many in the past, and if nothing gets done, we're going to have many more to come.

Eventually, government is going to have to listen to the people and to Members from this side of the House. I've always said the government has to take the cotton balls out of their ears and put it in their mouths so they can really listen to what we and the people are saying.

With that, I am going to support this motion, and I urge other Members to support this motion, and I urge the government to listen. Mahsi.

Mr. Speaker: To the motion as amended.

Mr. Bromley: Mr. Speaker, I too am very concerned about the high cost of power in our small communities.

I think I have a record of dedicating a lot of my time, personal energy and interest in working with small communities to try to address this issue in creative ways.

Currently, we do subsidize residential and commercial use of power in all our communities, diesel-generated communities especially, to the rate of the first 700 kilowatt-hours per month, and so on, for residents.

I believe that the average residential use remains at or below that figure, and in fact, energy efficiency has helped residents to remain below that level, especially now, with the rebates, the various incentives and education for more energy-efficient appliances and so on. I'm optimistic that can continue, and continue to help our residents in small communities.

I am concerned that a levelized rate structure will hide the real costs in the communities and hinder efforts to replace those high-cost diesel-generated power systems with cheaper and more responsible alternative-energy systems. Hopefully, that can be mitigated, and if we do go to a levelized rate, I want to retain the knowledge of what the real costs are so that we continue to focus our efforts on replacing those systems with other systems that are cheaper and better.

It's a very complicated and complex system, the whole business of electrical rates. I noticed that we have 19 diesel-powered communities. Current rates

are from 61 cents to \$2.34 per kilowatt-hour. Therefore, I assume that the costs, once levelized, would be something around 80-plus cents. That means, for a number of communities, and particularly the larger communities, the rates will go up — significantly, in some cases — so I'm hoping all those communities are in line and in support of this before we go forward.

I am also concerned about one of the side-effects, and that is the attempt to use energy more efficiently. There has already been, for example, a call from the community of Whati, where there is a system to replace hot water heaters with more efficient hot water heaters, but there has already been a call saying, "Can we drop this program if we're going to go to a levelized rate structure?" I think we need to be cognizant of that possibility as we move forward, and not sort of do in the programs that we already have going.

Finally, I suspect, because of our small communities, we have a larger number of government institutions than there are commercial customers. Those government institutions are paying often a high rate and helping. It's sort of an indirect subsidy for keeping rates reasonable. I'm concerned that because they're a larger part of that, if we levelize, they will actually be the big winners in this. If we do go forward again, we need to be sure that we're not shifting costs from government to the commercial users and so on. As I say, it gets to be quite a complex situation. I am totally committed to protecting our consumers and our public, especially in our small communities.

Finally, again I think I see a creative way to address the very high power rates in our small communities. I would like to see us move forward with systems where the power is generated locally from local resources and using local labour and building up our capacity at the same time. I totally believe that's doable, and I want to see some creativity, a commitment from this government to creative solutions, on that standpoint. We'd have true savings to our small-community residents — savings where we'd also contribute to the local economic development and skill development and so on, as well as, of course, environmental benefits along the way. Thank you very much, Mr. Speaker.

Mr. Speaker: Thank you, Mr. Bromley. To the motion as amended.

Mrs. Groenewegen: Mr. Speaker, I'd like to thank Mr. Krutko for bringing up Motion 5. I know this has been a concern of the diesel communities for some time now. The rates for power in their communities are structured on a community-by-community basis. I also empathize with the cumbersome process when there is a general re-application and the extreme amount of study and work that it takes just

to keep the community-by-community-based rates current.

Hay River is not a community that is serviced by diesel anymore so, as Members of this House who are from communities that are on hydro, we're being called upon to support something for diesel communities. I hope Mr. Krutko has some sense of how those communities would feel about a levelized rate, because I personally don't have a sense of how those communities would feel about it. As Mr. Bromley said, about 50 per cent of those communities would actually see a rate increase, and about 50 per cent would see a decrease. That's not anything that I particularly have knowledge about. I want to state that right from the outset.

Mr. Speaker, we are concerned about the cost of living in the Northwest Territories. Certainly, with the unpredictable rising costs of fuel and with these stand-alone rate structures, it is, I'm certain, a very big concern for those communities that are on diesel-generated power as to what their costs will go to.

In the past the PUB has come back with some comments on the idea of the social engineering of power rates. I'm paraphrasing, but they have stated something to the effect that they're there to put the rate zones in place and make sure that the consumers are being protected. However, if the Government of the Northwest Territories wants to apply a social levelizing to those for fairness purposes, that is entirely within the purview of this government to do that. Certainly, through the territorial support program, the subsidy is exactly what we have done over the years.

Right now in the communities outside of Yellowknife, the first 700 kilowatts of power that's consumed is levelized to the Yellowknife rate on the basis that it will be paid for out of the Territorial support subsidy program. Then the business community — small business at least — does have an opportunity to apply for a commercial power subsidy through that same subsidy program.

Mr. Speaker, I would suggest that even going a step further than what the levelling of the rates has indicated, I think it is also time for this government to review the possibility of looking at that cap of 700 kilowatt hours and looking at the size of homes that people have now that are more reflective of the quality of life that people want to enjoy in the communities — the modern conveniences which are now in homes which all consume energy. Certainly, there are many appliances on the market now that consume less energy, but the sheer volume of electric appliances and conveniences in the home, the sheer number of them, has actually increased. I don't think it would hurt to take a look

at that cap of 700 kilowatt hours per household and see if that is sufficient.

To the issue of the small business subsidy, I think that this government should look at applying a subsidy at source as opposed to expecting people to apply for it after the fact. I think that would take a great deal of pressure off the small business community, and the economic development of our smaller communities will not be impeded by exorbitant and untenable power rates, which right now essentially they are getting very little support for.

Mr. Speaker, I want to note that this motion is relevant to the communities that have power that is generated by diesel. This does not speak to those communities like Fort Smith, Fort Resolution, Hay River, Yellowknife, Behchoko — and I am sure there are others — and Dettah that are on hydro. This is the Member's attempt to bring forward a suggestion to the government to look at the viability and the benefit of the diesel communities having a harmonized or levelized rate. To the extent of that work being undertaken, this government should take this very seriously.

I feel very confident to support this motion and would encourage the government to respond favourably to looking at this. If we are serious about identifying the costs of living in the North as a priority of the 16th Assembly, this is a very good place to start.

So with that Mr. Speaker, I'd just say that I will be supporting the motion. Thank you.

Mr. Speaker: Thank you, Mrs. Groenewegen. To the motion as amended.

Mr. Hawkins: My choice today will be to support this motion, to let my colleagues know that though sometimes I don't agree with all of their initiatives, I do support their aspirations. So, Mr. Speaker, I won't be walking over to hug that Member, but on the record, he should know that he has my support on this issue.

I do have some concerns. I am worried about the rollout of it. But certainly we will have to deal with the details when they come forward. I have always supported the initiative of trying to find ways to decrease the cost of community living. What that means, as Mrs. Groenewegen has mentioned about raising the rates as we subsidize community fees from 700 kilowatt hours to 800, to be more responsible, to be more reflective of the times, or even making adjustments to commercial industry that can help deliver cheaper costs for things like food and whatnot.... I am in support of this motion, and I just express caution on how we go forward on this, only because I am concerned about the rollout of this. But for the intent, I am 100 per cent on.

Hon. Bob McLeod: With regard to the motion, I would like to update the Members on what the Government of the Northwest Territories will be doing. The Government of the Northwest Territories intends to undertake a review of the electricity rates, regulation and subsidy programs. Cabinet recently authorized the establishment of the ministerial energy coordinating committee to ensure that the energy priorities identified by the 16th Legislative Assembly are coordinated across government. This committee is comprised of the Ministers of Industry, Tourism and Investment; Environment and Natural Resources; and the Minister Responsible for the Northwest Territories Power Corporation.

Undertaking a review of electricity rates, regulation and subsidy programs will be a high priority of the ministerial energy coordinating committee. While the Government of the Northwest Territories has made many investments in such areas as energy conservation and efficiency and the application of alternative energy, it is important that administrative and regulatory systems are reviewed as well. For example, businesses in our remote communities have a difficult time competing and providing goods and services at affordable prices due to the high cost of power.

The proposed electricity review will examine this area closely to determine options for reducing the high cost of doing business in N.W.T. communities. With a complex system, including separate rate zones for each community, there are likely opportunities for change. This is consistent with recent Government of Northwest Territories efforts to refocus operations, ensuring that programs and services reflect the priorities of the 16th Legislative Assembly. The ministerial energy coordinating committee intends to consult closely with Members of the Legislative Assembly on this important and complex initiative, and we look forward to your active involvement and input.

An electricity review working committee has been established to undertake the review of the electricity regulations, rates, power subsidy programs in the N.W.T. The review process and the terms of reference for the working committee will be reviewed by the Deputy Minister of the energy coordinating committee and will be forwarded to the ministerial energy coordinating committee for approval. The committee membership is composed of Industry, Tourism and Investment; Financial Management Board Secretariat; and Department of Finance, with the head of the NWT Power Corporation acting as a technical advisor to the committee.

The current, draft objectives of the committee are to:

- 1) Examine the N.W.T. Public Utilities Board Act and the associated regulatory system for establishing electricity rates and develop options aimed at reducing complexity and administrative costs;
- 2) Examine other jurisdictions to consider governance models that will provide fair rates and interests processes and oversight tools; maintain an appropriate level of procedural fairness, impartiality, transparency and accountability without creating unnecessary complexity;
- 3) Examine the current approach of community-based electricity rates and develop alternative approaches to rate setting aimed at reducing overall system complexity and costs;
- 4) Examine the Government of Northwest Territories commercial and Territorial power subsidy programs, analyze their effectiveness in ensuring that N.W.T. residents and businesses have access to affordable power, and develop options for change as required;
- 5) Examine the various public policy issues that will arise during this review, including issues related to the role of the Government of Northwest Territories in the provision and regulation of electricity in the Northwest Territories, and provide a critical analysis and future policy options that consider the approach in other jurisdictions as well as the unique nature of N.W.T. markets.

The current proposed schedule includes a technical review and analysis, in consultation with internal and key stakeholders, until June 2008. A public discussion paper will be prepared for cabinet's consideration in September 2008, with public consultations occurring throughout the fall of 2008. This will lead to a detailed report for cabinet's consideration in 2009.

With this information, this will help make an informed vote on the motion.

Mr. Speaker: I will allow the Member for Mackenzie Delta to close debate.... The hon. Member for Inuvik Twin Lakes, on the motion as amended.

Mr. McLeod: Mr. Speaker, the first day of session I spoke to the extremely high power rates residents of Inuvik were facing. And we're a gas community — supposedly a gas community. Power rates are affecting everything in Inuvik. The recreation facilities are being affected; the goods and services that are sold are being affected. Our power rates have gone up. We have the gas field 20 kilometres

from town. We still pay less than they do in a place like Norman Wells. If we want to levelize, we can levelize the gas communities: Inuvik and Norman Wells. We'll get good rates for both communities, I'm sure.

But the cost of power, electricity, has been a concern. I had to do some research and ask some questions, because I wasn't sure how this was going to affect Inuvik. Inuvik is a gas community, so it wouldn't affect us that much. I would like to see.... You look at the power rates that are paid across the Northwest Territories — and I understand some are hydro communities, and they have a lot lower rates than some; I see some where they pay \$2 — the prices are just unreal across the board. I understand that the Power Corp needs to make a return on their investment.

We talk about energy-efficient appliances all the time. We try to educate people as to converting to energy-efficient appliances, and they've taken our direction. A lot of them have moved over to more energy-efficient appliances. Then power goes up, in my opinion to compensate for less power being used. I have an issue with that, and I think it's happened. I look at the documentation we get, and you see the diesel riders, the shortfall riders, and I was just noticing another one: Rider 1. It doesn't even say what it's for; it just says Rider 1. We've got a whole posse of riders out there.

So, Mr. Speaker, I would support this motion. I had some questions first, and I was okay with the answers I was given. But if this is an opportunity to lower the cost of living in the communities across the Territories, then it's something that I'm all for and I think we should all be for, because everything that goes on in communities is affected by power. The higher the rate, the more that people have to pay.

You get places like Inuvik, for example, and if one of the big stores were to get off the power grid and pull in their own generator, that would drive everybody else's prices up. So this is something that we have to look at. Personally, I would like to see one rate zone right across the Northwest Territories. But there will be some resistance to that....

Interjection.

Mr. McLeod: Already, see? And rightfully so, I suppose.

Then I hear of a project called the Talston hydro project. Who is that going to benefit? The people of Ulukhaktok, the people of Inuvik? No, it's not. That's something that I wouldn't be able to support. I'll support anything that has a positive impact on most of the people that we represent. The people up in the northern part of the Northwest Territories seem to be paying the highest rates of anything that

goes on. We have to try and be in this forum and do what's fair for the people across the Northwest Territories, because that's what they expect us to do. The power rates went up in Inuvik, and I heard it from everybody. I heard it from citizens; I heard it from businesses. It just affects everything.

I have a list here of the diesel communities. There are 19 of them. I don't see Inuvik on the list, so I am going to support this motion. Thank you.

Mr. Speaker: The mover of the motion for concluding remarks, Mr. Krutko.

Mr. Krutko: I would like to thank my colleagues for their comments in regard to the motion. I'd like to thank the Minister for making us aware of what is happening in regard to the Minister's energy coordinating committee.

But I think we also have to realize that I read a decision that was made by the Public Utilities Board in 1995. It is 12 years later, and we are still talking about this issue. So I think it is important that we act now. By the Minister's direction and the committee work on this motion, I believe it will get us to where we want to go. Hopefully, we will have it completed before our four-year term is up in this 16th Legislative Assembly.

Mr. Speaker, I would like to make everybody aware of what Minister Bob McLeod touched on. I think the biggest beneficiary of this is going to be our business community and the socio-economic viability of our communities. And that alone has a price tag. As I stated, we're spending in excess of some \$14 million on subsidies by way of the Territorial Power Support Program, the Housing Corporation subsidy by way of \$4 million. The cost of this government to file some 28 applications every time there's a PUB process.

I think it's important that, as government, through those savings.... I know my colleague Mr. Bromley touched on exactly what are we doing to try to find new ways of generating energy initiatives. If everybody were on hydro it would solve the problem. Realistically, that's not going to happen in regards to Kugluktuk, Sachs Harbour, Tuk or even in the communities in the valley unless we do something by way of a hydro project.

I know we've invested \$1 million to look into hydro projects in regard to Whati or Lutselk'e. That's the start we have to move on. In order to do more of those, we have to re-invest the money that we're spending right now by way of Territorial Support Program, the money that we spend in regards to the social housing subsidy, by way of power subsidies. The amount of time and money that's been consumed to file these applications every two or four years is a very costly endeavour.

It is important that we look at that. We've already done some of that by way of looking at what's happening in the hydro communities, heating public buildings to using hydro surplus heat.

I, for one, feel that this motion will eventually kick-start the process, and we will be able to move forward. With that, Mr. Speaker, I ask the Members to support this motion. Also, at this time I'd ask for a recorded vote.

Mr. Speaker: The Member has asked for a recorded vote. I would ask all Members in favour of the amended motion to please stand.

Clerk of the House (Mr. Mercer): Mr. Krutko, Mr. Bromley, Mr. Abernethy, Mr. Menicoche, Mr. Ramsay, Mrs. Groenewegen, Mr. R. McLeod, Mr. Hawkins, Mr. Jacobson, Mr. Beaulieu, Ms. Bisaro.

Mr. Speaker: I'll ask those opposing the amended motion to please stand. I'll ask all those abstaining from the motion to please stand.

Clerk of the House (Mr. Mercer): Mr. Lafferty, Ms. Lee, Mr. Miltenberger, Mr. Roland, Mr. M. McLeod, Mr. Yakeleya, Mr. B. McLeod.

Mr. Speaker: Results of the vote: 11 for, zero against, 7 abstaining.

Motion as amended carried.

Mr. Speaker: Item 18, first reading of bills. Item 19, second reading of bills. Item 20, consideration in Committee of the Whole of bills and other matters, Minister's Statement 1-16(2), Minister's Statement 9-16(2), with Mr. Krutko in the chair.

Consideration in Committee of the Whole of Bills and Other Matters

Chairman (Mr. Krutko): I'd like to call the Committee of the Whole to order. In consideration in the Committee of the Whole we have Minister's Statement 1-16(2), Minister's Statement 9-16(2).

MINISTER'S STATEMENT 1-16(2) SESSIONAL STATEMENT

MINISTER'S STATEMENT 9-16(2) PUBLIC HOUSING RENTAL SUBSIDY SURVEY RESULTS AND PLANS FOR THE FUTURE

Chairman (Mr. Krutko): At this time I'd like to ask what is the wish of the committee?

Interjections.

Chairman (Mr. Krutko): Does the committee agree that the consideration of Minister's Statement

Topic: Rate Re-balancing

Reference: Page 1-7

Preamble:

NTPC states:

The Corporation is not seeking approval of the cost-of-service results provided in **Appendix E**, but has provided them for illustrative purposes. As a consequence of this simplified approach, certain modification that the Corporation might propose to its cost-of-service method and certain Board directives relating to the cost of service study are not addressed in this application.

Request:

- a) In the absence of rate pressures noted at page 1-6 [L18-19], please discuss areas of “rate rebalancing between communities and customer classes” the Corporation would have focused on.

Response:

(a)

During a full Phase II proceeding, following the completion of a fully updated cost-of-service study, the Corporation would seek to make rate proposals that would move the revenue to cost ratios for communities and customer classes closer to unity. Other rate design considerations could include changes to customer charges and demand charges as well as revisiting rate class definitions, including possibly the creation of separate rate classes for Large General Service and Small General Service customers.

Topic: Brushing Expense Adjustment

Reference: Page A1, A-2

Preamble:

Additional clarification is needed in support of the brushing adjustment filed in this Application.

Request:

- a) At Page A-1, it is noted the brushing adjustment approved by the Board in Decision 4-2008 is \$129,000 for 2007/08. Please reconcile this to the \$0.272 M noted at Page A-2.

Response:

(a)

As shown in Schedule 1 of the Corporation's March 31, 2008 application related to the finalization of GRA shortfalls and 2006/07 and 2007/08 revenue requirements, the Corporation's November 30th 2007 refiling included \$0.401 million in brushing expenses for the 2007/08 test year. In Decision 4-2008, the Board approved an amount of \$0.129 million for brushing expenses for 2007/08. This resulted in a reduction to the 2007/08 revenue requirement of \$0.272 million (\$0.401 million less \$0.129 million). The \$0.272 million reduction to the 2007/08 revenue requirement is shown in Schedule A.1 and described on page A-2 of the Application.

Topic: Interest Rates

Reference: Appendix B

Preamble:

Additional information is needed to better understand the proposal to increase the interest rate on outstanding shortfall rider balances beyond October 1, 2009.

Request:

- a) Please provide evidence in respect of the position NTPC has “limited ability to obtain financing at short-term interest rates.” [Page B-2, L3-5]
- b) If the proposal is NTPC’s to collect the shortfall rider over 12 months, please explain why it does not consider it reasonable to carry on with the existing rate of prime less 50 bp.
- c) Considering the timing of the GRA is in the hands of NTPC, please comment on why NTPC would suggest an expedited recovery (12 months versus 18 months) if the Board does not allow the change to an interest rate of prime less 50 bp on any shortfall balance outstanding beyond October 1, 2009.

Response:

(a)

The Corporation funds its capital investment through a combination of cash and, on an interim basis, short term debt. In order to provide a better matching of asset lives with the underlying financing instruments, the Corporation traditionally converts short term debt that has been acquired to finance its capital program to long term debt. NTPC’s long-term debt issuances are typically in the range of \$20 million.

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The Corporation has a \$20 million operating credit line with its financial institution. If half or more of the credit line is being used to finance a regulatory shortfall, the Corporation's ability to use the operating line to fund capital investment (pending conversion to long-term debt) is limited. This could hinder capital investment that is required to maintain and improve the Corporation's infrastructure, or require the Corporation to have to take out long-term debt in advance of when it would otherwise be required, both of which would adversely affect customers.

If the Corporation were to increase its operating line it would likely be subject to standby fees for any funds not used. This would increase the Corporation's finance expense and overall cost of borrowing to the detriment of customers.

(b) and (c)

The Corporation proposed to collect the shortfall balances over 18 months instead of 12 months in order to mitigate the impact of the shortfall rider on customers.

The current interest rate on the shortfall balances is not prime less 50 basis points. Per Board Order 16-2008, the interest rate applicable to the shortfall balance is 50% of the Bank of Canada Prime Business interest rate. NTPC is seeking approval to change the interest rate to Prime less 50 basis points effective October 1, 2009. This would make the interest rate consistent with the interest rates for balances in the stabilization funds and more representative of short-term interest rates currently being experienced by the Corporation. The proposed 18 month collection period is already stretching the limits of the Corporation's access to short-term financing.

Topic: Proposal to adjust balance in FSA every 6 months

Reference: Appendix C

Preamble:

Further clarification is required to in respect of the estimate rate impacts of the Company's rate proposal.

Request:

- a) At page C-3, L7ff, NTPC states "all stabilization funds are calculated causing actual generation..." To the extent NTPC uses heat rates for prior years, please confirm actual generation and generation using prior year heat rates may not be the same.

- b) With the proposed change to the frequency with which NTPC proposes to effect changes to the Stabilization Fund Adjustment applications, please discuss if the trigger amount is expected to change. If not please explain why.

Response:

(a)

Not confirmed. Generation figures reported as actual will not change, regardless of the fuel efficiency used.

The fuel stabilization funds are calculated using actual generation and the PUB approved fuel efficiencies from the most recent GRA. NTPC bears the risks related to actual fuel efficiency variances from PUB approved values. This is consistent with the Board's findings in Decision 13-2007 that this approach is consistent with forward test

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year regulation.¹ Therefore, the volume of fuel charged to the stabilization fund may vary from actual fuel volumes, as a result of using the PUB approved fuel efficiency (instead of the actual plant efficiency). In this manner, customers are protected from fuel expense changes due to changes in fuel efficiency.

(b)

Please refer to the Corporation's response to HC.NTPC-2 (a).

¹ Refer to Page 147 of Board Decision 13-2007.