

LEADERS LETTER

AN NT HYDRO AND NTPC PUBLICATION FOR ABORIGINAL, MUNICIPAL AND BUSINESS LEADERS ACROSS THE NORTH

GNWT restructures rates and regulation

Significant reduction in power costs for many communities

On May 14, the Honourable Bob McLeod, Minister Industry Tourism and Investment, released a comprehensive response to the Electricity and the NTPC Reviews.

The report includes 19 Actions the GNWT will take to ensure the electricity system is efficient and affordable, NTPC is responsive to their customers, and all communities in the NWT have equitable access to electricity.

The 19 Actions represent changes for NTPC, the Public Utilities Board, communities and customers. Some are policy and regulatory changes while others will be much more visible to customers. These include:

- Residential customers in all NTPC communities served by diesel and natural gas will be charged the same rate: \$0.49 cents per kWh;

- Non-government General Service (commercial) customers in NTPC thermal communities will all be charged the same rate: \$0.42 cents per kWh;
- There are no changes in rates for NTPC communities served by hydro generation or in Norman Wells;
- Existing rate riders will disappear October 01 (paid out by the GNWT);
- The TPSP for residential customers will continue, but the threshold will change to 1,000 kWh in winter and 600 kWh in summer.

Target date for implementation is October 01, 2010.

Collectively, the changes made by the government mean that rates for all communities (thermal and hydro) will remain the same until 2012/13. NTPC has not had a general rate increase since 2008.

To review the report and check the savings in your community visit NTPC's website or click on the Report cover above.



To review the Report click on the document thumbnail above

NTPC Review validates Corporate performance

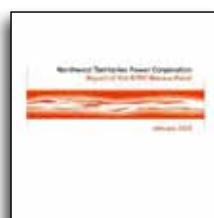
The GNWT has released the NTPC Review Report. It concludes the Power Corporation is performing well in key areas like generation, reliability, cost of service, business management, financial responsibility, and managing capital assets.

“Overall, the Panel believes that NTPC generally does a good job in relation to its mandate.

Many examples could be cited to show positive operation outcomes,” states the Report.

“The report makes some recommendations that we’ll examine and implement where practical. But overall it says we’re doing a pretty good job,” says Leon Courneya, NTPC’s President and Chief Executive Officer.

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**Sara Froese, CADD Technician/Project Manager,
Engineering Department, Hay River**

The one area that concerns all Northerners is the cost of service.

The report found that NTPC's cost of service is lower than or in line with other utilities in similar conditions in the rest of Canada.

"Yes our costs are high, but we're managing our costs as effectively as other utilities. In other words, we're doing everything reasonable to constrain costs and we're doing it pretty well. There's no silver bullet, no single solution. It's a lot of little improvements that add up to savings and we search for ways to reduce costs or improve efficiencies everyday," says Courneya.

The government Review Panel consisted of three appointees who collectively have more than 100 years of senior management experience in the utilities, energy and government sectors.

NTPC Review validates Corporate performance continued

The Review Panel interviewed external stakeholders, industry agencies, elected officials and NTPC staff and poured over thousands of pages of reports before reaching its conclusions.

Power Corporation recognized for GHG reductions

NTPC has been quietly doing its part to reduce greenhouse gas (GHG) emissions since its inception in 1988. That's not to say the experts haven't noticed.

For the 9th consecutive year, NTPC has been recognized as a Gold Champion Level Reporter by the Canadian Standards Association's Greenhouse Gas Challenge Registry.

"NTPC earned this honour by surpassing our most rigorous reporting standards," says Trish Chartrand, Manager of CSA's Greenhouse Gas Registries. Those standards include verifiable reductions, education and training, and forward-looking plans to achieve future reductions.

Since 1990, the Corporation has cut GHG emissions by 54%. Part of



the reason is a 57% reduction in diesel generation and substantial increases in natural gas and hydro generation. *(These improvements are net of diesel generation transferred to Nunavut Power in 1999.)*

However, changing the generating portfolio has only been part of the story. Over the years, the Corporation has undertaken a number of initiatives to reduce greenhouse gas emissions:

- Installation of fuel efficient diesel engines;
- Installation of programmable logic controllers to improve engine efficiency;
- Heat recovery projects; and
- Energy efficiency programs for customers, reducing the demand for electricity.

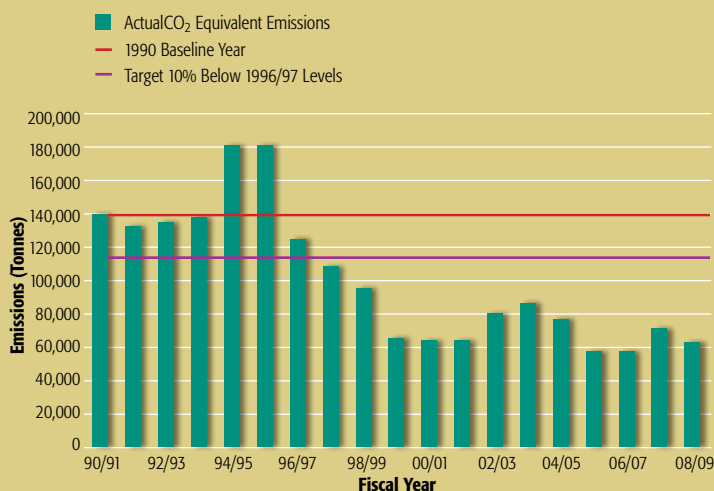
"Our record of continuous improvements is a result of many commitments, by many people, many times over. I'm very proud of our record and the people behind it," says Leon Courneya, NTPC President and Chief Executive Officer.

In 1999, the Corporation's first report to the GHG Registry

earned *Best New Submission* and in 2001 the Registry awarded NTPC the *Electrical Utility Sector Leadership Award*, selected from utilities across the country.

NTPC's GHG Reports are available in the Environment section of NTPC's website at www.ntpc.com

Total CO₂ Equivalent Emissions between 1990/91 and 2008/09





System upgrades to increase reliability in coastal communities

If you live in Tuktoyaktuk, Paulatuk, and Sachs Harbour then expect NTPC to come knocking. That's right. The Power Corporation will be knocking on your door to shut your power off, but only for an hour or two.

Over the years, service connections at residences in most coastal communities have corroded due to salt exposure.

"It's not something you'd experience in most of Canada, but we're not alone. Corrosion happens in communities on Canada's other two coasts wherever aspects of the system are exposed to salt air," says Gary Keith, NTPC's Transmission and Distribution Manager.

The new connections will improve power quality and reliability and help protect service connections from salt degradation.

The Corporation is issuing advance notices to community offices and posters around each town to ensure that customers who have special needs, such as home medical equipment, have the opportunity to make alternate arrangements.

Around 100 residences received service improvements this spring. This project, and a number of others in Northern communities, will continue through the summer.

Bluefish dam replacement

At roughly \$20 million, the Bluefish dam replacement is the largest rehabilitation project in NTPC history.

Because of the short ice road season this winter the timetable for Bluefish construction has been pushed back a year.

"Over the past few months we've hauled in a 50-person camp, a new water and sewage system, a tank farm and equipment. This will enable us to work through the summer and fall. Construction will begin when all other materials are hauled to site next winter,"

says Leon Courneya, NTPC President and CEO.

Major tenders will be awarded at the end of May. The bid process provided incentives for Northern businesses and all three final developers have partnered with NWT Aboriginal organizations to deliver products and services to the project.

Under average water conditions Bluefish Hydro has the potential to provide up to 20% of Yellowknife's annual electricity needs that would otherwise be met with 11 million litres of diesel generation. The Jackfish diesel plant is now predominantly a standby



Over the winter a 50-person camp, a new water and sewage system, a tank farm and equipment were hauled to site.

plant providing back-up when hydro is unavailable.

The rate impact for customers served by Bluefish will be approximately

2 cents per kilowatt hour when it comes on line in late 2012.

The project will ensure Yellowknife and area customers have a reliable supply of hydro for many decades to come.

Supporting culture, community, and warmer weather celebrations in the Beaufort-Delta and Sahtu

Culture and community are worthy of celebration, especially after a cold, dark winter. That's why NTPC committed approximately \$7200 to Beaufort-Delta and Sahtu spring celebrations.

Twelve communities throughout the regions have received contributions to help with costs for games, feasts, and other events that bring people together. The festivals are:

Inuvik
Muskrat Jamboree
Aklavik
Mad Trapper Jamboree
Tuktoyaktuk
Beluga Festival
Fort McPherson
Peel River Jamboree
Fort Good Hope
Rubber Boot Spring Festival
Colville Lake
Spring Carnival
Deline
Chihke Spring Carnival
Tsiigehtchic
Arctic Carnival
Sachs Harbour
White Fox Jamboree
Tulita
Yamora Festival
Ulukhaktok
Kingalik Jamboree
Norman Wells
Spring Fling

New Management Appointments, Thermal Region

Two highly experienced managers have been appointed to senior positions in Inuvik, the central operating office for NTPC's Thermal Region.

Mike Ocko is the new Director of Thermal Operations and Dave Moline is the new Line Manager, Transmission and Distribution.



Mike Ocko

NTPC's network is divided between the Hydro and the Thermal Regions which recognizes the distinct operating requirements between the two types of generation.

The Thermal Region is primarily comprised of communities in the Sahtu and Beaufort-Delta, including remote island communities. All are served by diesel and natural gas generation.

Mike has been with NTPC for 20 years and was the Assistant Director, Thermal Operations.

Dave brings over 30 years of line experience having worked in many jurisdictions including the Yukon from 1990 to 2005.

Northern Store wins Energy Award

In 2009, the Fort Simpson Northern Store was targeted for energy efficiency improvements. NTPC completed a commercial energy audit and the North West Company invested nearly \$500,000 to upgrade refrigeration, lighting, and heating systems.

The new refrigeration system is a good example of investments in leading edge technology. It utilizes cold air from outdoors for cooling and maximizes the efficiency of the mechanical systems, and also recovers heat from refrigerator motors to produce ambient warmth for the store's interior.

The Fort Simpson store has been operating with its suite of improvements since the end of September and electricity reductions exceed 25%.



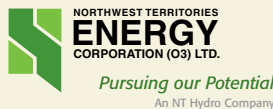
In March 2010 the Fort Simpson Store received a 2009 Energy Action Award.

"We think the Northern Store upgrades are real time examples of just how effective energy efficiency investments can be in the North. That's why we piloted the commercial energy audit program in 2009.

Efficiency improvements can work just as well in residential settings helping to reduce customer power bills," says Leon Courneya, NTPC's Chief Executive Officer.

The NT Hydro Group of Companies

In 2007 the Government of the Northwest Territories created a new structure for the electricity sector: the NT Hydro Group of Companies. The Northwest Territories Power Corporation and the Northwest Territories Energy Corporation (03) Ltd are subsidiaries of NT Hydro. The GNWT owns all three corporations. Each has a different role in the market.



You can reach NT Hydro or NT Energy Corporation (03) at:
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