



Market Forces

A lot of factors go into providing you with a safe, reliable supply of electricity. All of them affect the cost of power.

But the biggest factors behind high power costs are market forces: a small customer base, a large geographic area, and high fuel costs.

Few Canadian utilities ever face this triple threat. For us it's a way of life.

And every day we look for new ways to offset market forces through technology, streamlined operations and, where possible, alternate fuels.

In Inuvik, for example, we converted generation from diesel to natural gas. The conversion saves customers \$3 million per year compared to producing the same amount of electricity with diesel.

Despite the cost savings, the cost power is high for Inuvik customers: 52.45 cents per kilowatt hour (kWh).



Around Great Slave Lake we generate hydro electricity at rates comparable to the south.

For instance, we sell hydro electricity to Northland Utilities at 7.37 cents per kWh in Hay River and 13.46 cents in Yellowknife.

As you can see by the graph, the average cost of all electricity sold by NTPC – natural gas, hydro and diesel – is about 26 cents per kWh.

Market forces have a huge impact on small communities served by diesel generation.

Diesel is the only form of distributed generation reliable enough to perform in our climate and portable enough to provide backup when something goes wrong. But it's expensive.

Customers in small communities often pay more than 70 cents per kWh.

We agree that it's time for action on the cost of electricity.

The government's Electricity Review couldn't come at a better time. And we believe it will shape how power is priced for generations to come.

Visit our new website for low cost and no-cost ways to become more energy efficient.

