

NTPC REVIEW – KEY MESSAGES

What's your overall impression of the report's findings?

The report supports our performance in a number of strategic areas like cost of service, generation, system reliability and financial responsibility. There are positives and there are areas for improvement, but overall the report says we're doing a pretty good job.

So you agree with the report's findings?

Overall we agree with the report's findings. There are a few areas we might challenge, but the key recommendations for improvement are generally tactical in nature. In other words, the report says to keep doing what we're doing, but try to do a little better here and there.

Doesn't the report criticize your performance in a number of areas?

The report concludes that we're performing well in key areas like generation, reliability, cost of service, business management, financial responsibility, and managing our capital assets. These are what we consider strategic competencies. Can we improve? Yes. And the report makes some recommendations that we'll examine and implement where practical.

Wouldn't you agree that your customers need rate reductions?

Generally speaking, the cost of goods and services are a concern in the North and electricity is one of them. However, the report found that our cost of service is lower than or in line with other utilities. We're constantly on the lookout for new technologies that will reduce customer costs. But there is no silver bullet that provides a single answer. It's a lot of little improvements that add up to savings and everyday we search for new ways to cut costs. (If asked: refer to E-Torus as a current example. E-Torus is a device to improve fuel efficiency on engines that NTPC is reviewing)

Why don't you switch from diesel to reduce costs in most communities?

Over the years we've significantly reduced diesel generation. In 1990 diesel represented almost 40% of our total generation. Today, it's just 12%. We keep adjusting our generating portfolio as new opportunities come along and adding new technologies that will reduce customer costs. We have to face facts though. Many of the communities we serve are remote and diesel is the cheapest and most reliable form of power production in these situations. And the report concludes that we've done a good job generating power.

The report was critical of your safety record. How do you respond?

We take our commitment to employee and public safety very seriously. The report makes a few recommendations, but it also concludes our safety policies and procedures are among the best. Our record speaks for itself. We've had our safety program reviewed by an outside consultant and implemented the recommendations. Another review is scheduled for 2010/11 and we'll take those findings just as seriously.

How do you respond to the criticism about your environmental record?

The Corporation takes its commitment to the environment very seriously. The report praises our record on greenhouse gas reductions; at another point it questions our record on fuel spills. Since 1990 our fuel spills total less than .03% of over 1 billion litres of fuel. We are already reviewing and upgrading our fuel systems as recommended in the report.

The report was critical of your secrecy around management bonuses. This is a criticism that's surfaced in the past. How do you respond?

There are several things that need to go on the record. Firstly, we have always been as open as possible in accordance with the law. We have provided details of the plan during the last GRA, in our annual reports, in presentations to Cabinet and MLA's, to the media, to the UNW. We have explained how the plan works and we have provided total payments under the plan. The only thing we have not done is provide individual payments as we felt that this was a violation of our responsibilities under the Access to Information and Protection of Privacy Act. Last year the courts agreed that we should not be disclosing individual payments. Salary ranges and "at risk" payments in total for all senior management are disclosed in our annual report.

What's your response to the criticism of all pay levels?

We don't agree. Northern employers have to pay more to attract competent people and retain them. We do a pretty good job of keeping the lights on and that's a function of competent people at all levels of the Corporation. The report says that we're a well run organization. You can't provide the kind of service and efficiencies that this report recognizes unless you pay to attract and retain the right people. A comparison of our salary levels for unionized positions to southern positions would find that all our pay levels are higher than down south.

How do you respond to the criticism that the government mandate for NTPC is difficult to fulfill?

We can't speak for the government. Crown corporations are neither beast nor fowl. We're an agency of the government, but we're not government and we're a corporation, but we're not a private company. While the report indicates that more clarity would be helpful it also concludes that a crown corporation is the most beneficial business structure.

What about better communications?

We agree that communications is an area that needs improvement. This is an area we have been working on for some time and it is clear we need to do more. So we recently put more resources to public and stakeholder communications. We will continue to meet with community and Aboriginal leaders and we're expanding the scope of communications materials available. Our website was overhauled last year and carries a number of materials that are helpful to customers and the public. Our last customer survey indicates that customers feel we're doing a pretty good job of communicating with them. But we can always improve. So we will.