

NTPC Rate Application Responds to Need for Affordable Power

Yellowknife, NT (August 19, 2010) —The Northwest Territories Power Corporation has filed an application to the Northwest Territories Public Utilities Board (PUB) for adjustments to its base rates. The application was developed from the *GNWT Electricity Rates Policy Guidelines* and was requested by the PUB in late July.

The proposed changes are designed to lower the cost of electricity for most communities, at no additional cost to any other community. These reductions in electricity rates will help reduce the cost of living in the North, while improving the sustainability of communities.

The application sets out rates for residential and commercial customers in each of the following four NTPC zones: Snare, Taltson, Norman Wells and Thermal. This four-zone approach replaces the previous community-based rate structure, which had separate rates for each community in the Northwest Territories.

Residential and commercial rates will be reduced in the Thermal zone, or diesel and natural gas powered communities. Rates in the other zones will remain unchanged.

The proposed base rate for residential customers in the Thermal zone will be 48.06 cents per kilowatt hour (kWh) and commercial rates in the Thermal zone will be set at 41.39 cents per kWh. The savings will vary in accordance with the current base cost of power in each Thermal community. For example, residential customers in Inuvik will see savings of about 12.29 cents per kWh, while residents in Colville Lake will see savings of \$1.82 per kWh over the current rate base. Commercial customers in this zone will see savings of up to \$1.59 per kWh.

Customers in the Thermal zone also could see additional savings from the Government of the Northwest Territories revised Territorial Power Subsidy Program.

The adjusted rates are subject to approval of the NWT Public Utilities Board. A PUB decision is expected in early November and the new rates would take effect December 1, 2010. The new rates will be in effect until October 2012.

For more information contact:
Terence Courtoreille
Acting Director, Finance & CFO, NTPC
(867) 874-5325

Rate Change Application Backgrounder

On May 14, the Honourable Bob McLeod, Minister Industry, Trade and Investment, released a comprehensive response to the Electricity Review. The report included a number of action items 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. Several of the action items dealt with lowering rates in communities powered by diesel and natural gas.

The NTPC four-zone approach replaces the previous community-based rate structure, which had separate residential and commercial rates for each of the Northwest Territories' 33 communities. Under the community-based approach, total residential rates in diesel or natural gas powered communities (Thermal zone) ranged from 60.35 cents per kWh to \$2.30 per kWh. The new residential rate for all communities in the Thermal Zone is 48.06 cents per kWh. Total rates for Behchoko, Norman Wells and Fort Smith are unchanged. Total rates in Dettah and Fort Resolution will drop approximately 2 to 4 cents per kWh. Wholesale rates and government rates will remain unchanged.

Following are examples of rate changes:

	Customer Classification			
	Residential		General Service	
	Current	Proposed	Current	Proposed
Behchoko	24.98	24.98	30.75	30.75
Dettah	27.86	24.98	34.53	30.75
Fort Smith	16.36	16.36	12.88	12.88
Fort Resolution	20.75	16.36	18.03	12.88
Norman Wells	44.71	44.71	40.62	40.62

	Customer Classification			
	Residential		General Service	
	Current	Proposed	Current	Proposed
Wha Ti	84.57	48.06	78.50	41.39
Gameti	129.80	48.06	149.18	41.39
Lutsel K'e	78.53	48.06	73.03	41.39
Fort Simpson	73.44	48.06	64.34	41.39
Fort Liard	78.06	48.06	70.37	41.39
Wrigley	137.92	48.06	147.49	41.39
Nahanni Butte	166.40	48.06	214.65	41.39
Jean Marie River	148.70	48.06	200.65	41.39
Inuvik	60.35	48.06	53.68	41.39
Tuktoyaktuk	70.80	48.06	62.87	41.39
Fort McPherson	81.59	48.06	74.64	41.39
Aklavik	64.84	48.06	61.95	41.39
Deline	83.20	48.06	78.50	41.39
Fort Good Hope	72.41	48.06	63.42	41.39
Tulita	89.51	48.06	86.46	41.39
Paulatuk	122.92	48.06	116.15	41.39
Sachs Harbour	152.12	48.06	142.58	41.39
Tsiigehtchic	112.71	48.06	99.84	41.39
Colville Lake	230.26	48.06	200.26	41.39
Ulukhaktok	70.75	48.06	64.04	41.39

	Wholesale	
	Current	Proposed
NUL - YK	15.43	15.43
NUL - HR	8.44	8.44

As part of this rate rebalancing, the Territorial Power Subsidy Program (TPSP) also will be changed. Currently the first 700 kWh per month for non-government, residential users with rates higher than Yellowknife, are provided at the Yellowknife rate. The new formula will provide 1000 kWh per month at the Yellowknife rate during the winter months from September to March and 600 kWh per month for the rest of the year.

To help meet initial revenue shortfalls from lowered rates, the GNWT has agreed to pay \$6 million to eliminate current riders (or surcharges) in all communities. In addition, the GNWT will forego the annual NTPC dividend payment of \$3.5 million for the effective period rate change.