2025-26 Corporate Plan

NORTHWEST TERRITORIES HYDRO CORPORATION
Power for Generations

NORTHWEST TERRITORIES POWER CORPORATION
Empowering Communities

Taltson Hydro Facility

NTPC's Mission, Vision and Value statements guide its actions and ensure the organization meets or exceeds the expectations of its shareholder and customers.

Mission

To reliably generate, transmit and distribute energy essential to our customers.

Vision

To provide sustainable, affordable energy that encourages living, working, and investing in the Northwest Territories.

Values

Safety *– We make safety our first priority, a cornerstone in all decisions.*
People *– We consider the well-being and success of every employee in all decisions.*
Commitment *– We are determined, agile and know how to keep the lights on.*
Community *– We work with and for all Northerners.*

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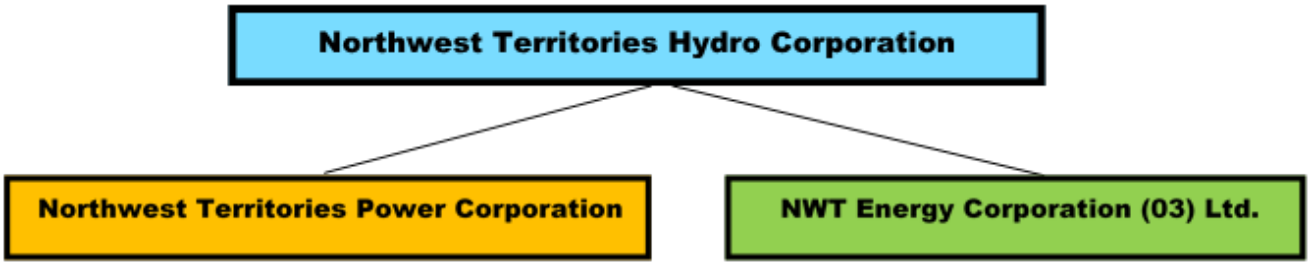
Corporate Overview

The Northwest Territories Hydro Corporation (NT Hydro) is a holding company whose sole shareholder is the Government of the Northwest Territories (GNWT). NT Hydro is the parent company of two primary subsidiary companies: the Northwest Territories Power Corporation (NTPC) and the NWT Energy Corporation (03) Limited (NT Energy).



NTPC is responsible for providing power to customers across the North and is the public face of NT Hydro. Activities of NTPC are regulated by the NWT Public Utilities Board (PUB). Capital, operational and maintenance costs are all reviewed by the PUB when NTPC submits a General Rate Application (GRA) in order to set electricity rates.

NT Energy is responsible for managing projects of higher risk that require different approaches than a regulated company. This includes projects that are being financially supported by the Federal and Territorial governments through the Investing in Canada Infrastructure Program (ICIP) as well as working with Indigenous and community governments on renewable projects. NT Energy also pursues large scale business opportunities such as electricity generation for new mines. The activities of NT Energy are not regulated by the PUB; costs incurred do not impact electricity rates.

NWT electricity rates are among the highest in Canada. There are several reasons for this, including:

- In the past decade, electricity sales have declined by approximately half a percent per year as the result of stagnant/declining population as well as very little new industrial activity such as mining.
- Aging infrastructure is also a challenge, as it is for most other North American electrical utilities – infrastructure is not just aging but is reaching the end of its design life, particularly NTPC's hydroelectric assets.
- There is a high cost to deliver power in the North given the use of diesel in remote communities and 100% reliance on diesel for back up generation in all communities. The small scale, isolated and non-integrated systems means that there are limited economies of scale available to NTPC.

Corporate Overview

In 2024-25, NTPC was able to complete several major capital projects that support both improved reliability and reduced greenhouse gas emissions.

Work on the Strategic Plan, which was first introduced in 2018-19, continued in 2024-25 with a particular focus on medium and long-term strategic objectives and the development of a new Mission, Vision and Values Statement. Approval of the Plan was received from the Board of Directors and the expectation is that NTPC will be looking to inform and educate stakeholders about the Plan in 2025-26. It is a living document that will be revised and updated, as circumstances warrant.

Notable progress was made related to the recruitment of new employees for key positions and retention of existing employees over the past year. As of December 31, 2024, NTPC was facing a job vacancy rate of 11.78% compared to 15.5% on December 31, 2023.

Some of the key activities that occurred in 2024-25 include:

- Low-Water in Snare: Ongoing low water levels in the Snare hydro system required a greater than normal consumption of diesel in 2024-25, although signs of recovery began to be seen as the year progressed. Low water limits the generation output of the hydro system and use of diesel generation is necessary to meet system energy requirements until water levels rebound. The Government of the Northwest Territories provided a one-time contribution of $30 million to offer rate relief to customers who would otherwise have faced a rider to pay for the higher diesel price as well as for the additional diesel consumption required to power Yellowknife and surrounding area.
- Hay River Franchise – NTPC continued working with the Town of Hay River and Naka Power (formerly Northland Utilities (NWT) Limited or NUL) to advance the transfer of the electricity distribution franchise. After hosting public hearings and a public meeting, the Northwest Territories Public Utilities Board (PUB) determined that the franchise transfer was in the public interest. In its decision, the PUB directed both NTPC and Naka Power to submit General Rate Applications (GRA) by December 31, 2024. NTPC filed its GRA on October 30, 2024. Transfer of the franchise is expected to occur on March 1, 2025.
- Overhaul of Taltson Hydro: The hydroelectric unit was taken out of service in May 2023, allowing the overhaul to begin. The project schedule has been extended by more than a year due to a 7-week site evacuation caused by wildfires in the summer of 2023 and then the discovery of an alignment issue in the hydro unit during the initial commissioning effort. The facility is expected to return to service in February 2025.
- EV Charging Stations: NT Energy has opened electric vehicle charging stations in Behchokǫ̀, Fort Smith, Hay River to support the development of an EV corridor

between Yellowknife and Fort Smith to the NWT/Alberta border. An additional EV charging station will be installed at Buffalo Junction in calendar 2025

- New collective agreement: In September 2024, NTPC and the Union of Northern Workers (UNW) reached a tentative agreement on a new three-year Collective Agreement (CA). The agreement was ratified in November.

2024-25 Objectives

NTPC's Strategic Plan focuses on increasing reliability and creating the necessary conditions to ensure the Corporation's long term economic and environmental sustainability. We will achieve success by strengthening our core services while managing costs and by addressing the challenge of aging infrastructure. We will also reduce greenhouse gas emissions (GHGs) through increased integration of renewable technology and by establishing a revenue growth strategy for the future. The revenue growth strategy will provide tangible benefits to customers as well as our Shareholder.

The ultimate goals of the Plan are:

1. Reduce the gap between average electricity rates in the NWT and the Canadian national average.
2. Achieve the 25% GHG emissions reduction target for electricity generation in diesel-powered communities, as outlined the Government of the Northwest Territories' 2030 Energy Strategy.

Eight strategic objectives have been established for the next several years. The wording of some of those objectives has changed slightly from previous years. In 2025-26, NTPC will continue to focus on advancing initiatives that support these strategic objectives, in addition to working on more targeted divisional objectives.

The eight strategic objectives are:

1. Reduce fuel consumption
2. Reduce controllable costs
3. Invest in core infrastructure
4. Develop Indigenous partnerships
5. Increase distribution customer base
6. Increase industrial customer base
7. Integrate renewable energy projects
8. Support the Taltson Expansion Project

In 2024-25, NTPC developed updated Mission, Vision and Values statements and added an additional Strategic Objective to the Strategic Plan, focusing on development of additional Indigenous partnerships. These updates are reflected in the 2025-26 Corporate Plan. The Plan was approved by NT Hydro's Board of Directors in Spring 2024.

Activities to Support Achievement of Strategic Objectives

1. Reduce fuel consumption

   Electricity generation using diesel fuel is expensive and produces significant greenhouse gases. NTPC has identified activities it will undertake to reduce the amount of diesel fuel consumed for electricity generation.

   Among the activities that will occur in 2025-26:

   - Continue to work with Indigenous organizations and others to integrate renewable projects in thermal communities
   - Placing greater emphasis on energy efficiency when purchasing new diesel generators
   - Detailed design work to continue on new power plant, powered by Liquified Natural Gas (LNG), in Fort Simpson

2. Reduce controllable costs

   Over the past several years, NTPC has successfully managed its operating and maintenance costs, with spending increases at or below the rate of inflation. General inflation and global supply chain issues are expected to pose challenges in the next fiscal year.

   Among the activities that will occur in 2025-26:

   - Continue developing the enterprise risk management framework.
   - Continued rollout of Capital Investment Planning and Execution (CIPEX) process for Projects.
   - Use route cause analysis (RCA) Committee, outage committee and CMMS to reduce unplanned outages and emergency work.
   - Improve scheduling, coordination, and delivery of workload.

   A culture of innovation and improvement is being developed where all employees are encouraged to bring forward ideas to improve processes and reduce costs.

3. Invest in core infrastructure

   NTPC will continue with its capital program to address aging electricity infrastructure. Some of the work on core assets will be financially supported by the federal government through ICIP. Federal funding support will significantly reduce the costs that would otherwise be fully borne by electricity customers.

   Among the key activities that will continue or start in 2025-26 are:

- Continued development and implementation of an effective Capital Investment Planning and Execution (CIPEX) process for Projects.
- Effectively manage hydro shutdowns to ensure minimize diesel use completed
- Add diesel capacity in Yellowknife to meet firm capacity requirement
- Distribution and substation upgrades on the Fort Smith and Taltson systems

4. Develop Indigenous partnerships

   NTPC has developed effective working partnerships with Indigenous governments and organizations over many years but is seeking further opportunities to strengthen existing relationships and build new partnerships. NT Energy will continue to work with and support local communities as they develop community energy plans and seek out opportunities to advance renewable projects.

5. Increase distribution customer base

   In May 2015, the Town of Hay River issued an RFP (Request for Proposal) for the supply of power to the community, seeking lower rates for residents and businesses, and chose NTPC as its future electricity distributor. After many years of delay, the process advanced over the past year when the Public Utilities Board ruled that the transaction was in the public interest and could proceed. Completion of the franchise transfer is expected to occur before the end of the current fiscal year.

6. Increase industrial customer base

   NTPC will continue to meet with mining companies that are considering the establishment of new mines in the NWT. The Corporation aims to be the electricity provider of choice for new industrial activity in the NWT. This includes connecting new mines to hydro grids and/or providing peaking/backup power plants.

7. Integrate renewable energy projects

   The federal and territorial governments provide funding to support electricity projects that result in reduced GHG emissions. Under a variety of programs, the federal government will provide up to 100% of the funds to integrate renewable or low-carbon technologies in communities powered by diesel generation, to install new transmission lines and to overhaul existing hydroelectric dams.

   Progress on several projects is expected in 2025-26, including:

   - Fort Simpson LNG Plant -- Detail design work is underway for a new power plant, fueled by LNG and located well away from the riverbank. This will address the risk of riverbank erosion along the McKenzie River putting the existing power plant at risk and will convert to a fuel source with lower GHG emissions.

- **Kakisa – Fort Providence Transmission Line** – Design work is underway and will continue into the next fiscal year, with 60% design completion will be achieved in 2025. Work with the GNWT to secure federal funding for the construction phase is continuing.

8. **Support the Taltson Expansion Project**
   The GNWT is assessing the potential of expanding the Taltson Hydroelectric Facility and creating an intertie between the North and South Slave electricity systems. NTPC continues to support the Taltson expansion and Great Slave Lake Intertie by:

   - Providing technical and operational planning support
   - Supporting engagement with community stakeholders

   The Taltson Overhaul Project provided assets, in particular a camp and power to support construction of a Taltson expansion.

2024-25 Performance Measures

NTPC has been working to fine-tune the performance measures used to demonstrate progress on execution of the Strategic Plan. The expectation is that several new or revised performance measures will be included in future Corporate Plans.

In 2019-20, NTPC began to track the following Key Performance Indicators (KPIs) measuring progress on the strategic objectives and continued to do so in 2024-25:

1. Average number of outages per customer on a rolling 12-month calendar (SAIFI)
2. Average cost of electricity per kilowatt hour for residential customers
3. Operation and Maintenance cost per kilowatt hour
4. Fuel efficiency (fuel costs per kilowatt hour)
5. Greenhouse gas emissions per gigawatt hour of generation (tCO_2e/GWh)
6. Asset health index

Expected Results

2024-25 was unusual in that extreme low water in the Snare hydro system resulted in very high diesel usage. This, in conjunction with the Taltson hydro shutdown, meant that metrics based on fuel usage were negatively affected.

High inflation and supply chain challenges, including recruitment and retention of employees, continues to affect NTPC in its ability to complete capital and operational work in a timely cost-effective manner.

Evaluation of 2024-25 Corporate Objectives

2019-20 served as a base year for most of the performance measures that track progress on NTPC's Strategic Objectives.

	Baseline Results as of December 31, 2019	2024-25 Results as of December 31, 2024
Average number of outages per customer on a rolling 12-month calendar (SAIFI)	10.32	6.43
Average cost of electricity per kilowatt hour for residential customers	$0.65	$0.72
Operation and Maintenance cost per kilowatt hour	$0.135	$0.213
Fuel efficiency (fuel costs per kilowatt hour)*	$0.078	$0.172
Greenhouse gas emissions per gigawatt hour of generation (tCO2e/GWh)*	183	363.4
Asset health index	5.0	5.0
Customer satisfaction survey	85%	79% (2024 survey)

- 2024-25 results reflect the continuing impact of low water in the Snare hydro system, a delay in the return to service of Taltson and the subsequent need to consume more diesel than usual in both zones.

NT Hydro and NTPC -- Financial Information

Operating and Capital Budgets

NT Hydro: 2025-26 Consolidated Statement of Operations

(All figures in $000s)

	2025-26 Budget	2024-25 Budget	2023-24 Actuals
Revenues			
Sale of Power	$ 139,501	$ 121,984	$ 110,583
Interest Income	95	95	79
Other Revenue and Customer Contributions	3,733	2,515	3,597
Fuel Rider Revenue	2,923	13,639	2,019
Low Water Rider Revenue	4,056	-	-
Income from Investment in Aadrii Ltd.	40	60	29
	150,348	**138,293**	**116,307**
Expenses			
Thermal Generation	90,808	128,221	115,238
Hydro Generation	25,314	25,037	21,306
Corporate Services	18,309	16,330	15,818
Transmission, Distribution and Retail	14,955	15,346	13,226
Purchased Power	4,749	4,792	3,959
Alternative Power Generation	2,305	1,545	283
	156,438	**191,271**	**169,830**
Surplus (Deficit) for the Year before Contributions	**(6,090)**	**(52,978)**	**(53,523)**
Contributions			
Government Power Sales Contributions	10,700	-	-
Government Contributions	41,191	53,983	17,013
Insurance Proceeds	-	-	1,260
	51,891	**53,983**	**18,273**
Surplus (Deficit) for the Year	**45,801**	**1,005**	**(35,250)**
Accumulated Surplus/equity, Beginning of Period	192,221	153,827	189,077
Accumulated Surplus/equity, End of Period	**$ 238,022**	**$ 154,832**	**$ 153,827**

NT Hydro: 2025-26 Consolidated Statement of Changes in Net Debt

(All figures in $000s)

Surplus for the year	**45,801**
Tangible capital assets	
Additions	(68,153)
Capitalized overhead	(3,200)
Capitalized interest	(2,760)
Disposals	2,192
Amortization	25,243
	(46,678)
Additions of inventories	(9,600)
Use of inventories	9,600
Additions to prepaids	(3,300)
Uses of prepaids	3,300
	-
Increase in net debt for the year	**(877)**
Net debt, beginning of year	(456,863)
Net debt, end of year	**(457,739)**

NTPC 2025-26 Consolidated Statement of Operations

(All figures in $000s)

	2025-26 Budget	2024-25 Budget	2023-24 Actuals
Revenues			
Sale of Power	$ 139,495	$ 121,984	$ 110,583
Interest Income	95	3,395	1,840
Other Revenue and Customer Contributions	3,733	2,515	3,597
Fuel Rider Revenue	2,923	13,639	2,019
Low Water Rider Revenue	4,056	-	-
Income from Investment in Aadrii Ltd.	-	60	29
	150,302	**141,593**	**118,068**
Expenses			
Thermal Generation	90,808	128,221	115,238
Hydro Generation	25,314	25,037	21,306
Corporate Services	17,320	15,817	14,064
Transmission, Distribution and Retail	14,955	15,346	13,226
Purchased Power	4,749	8,092	5,259
Alternative Power Generation	2,305	335	283
	155,449	**192,848**	**169,376**
Surplus (Deficit) for the Year before Contributions	**(5,147)**	**(51,255)**	**(51,308)**
Contributions			
Government Power Sales Contributions	10,700	-	-
Government Contributions	18,800	31,138	15,661
Insurance Proceeds	-	-	1,260
	29,500	**31,138**	**16,921**
Surplus (Deficit) for the Year	**24,353**	**(20,117)**	**(34,387)**
Accumulated Surplus/equity, Beginning of Period	153,630	115,465	149,852
Accumulated Surplus/equity, End of Period	**$ 177,983**	**$ 95,348**	**$ 115,465**

NTPC 2025-26 Consolidated Statement of Changes in Net Debt

(All figures in $000s)

Surplus for the year	**24,353**
Tangible capital assets	
Additions	(46,195)
Capitalized overhead	(3,200)
Capitalized interest	(2,760)
Disposals	2,192
Amortization	25,243
	(24,720)
Additions of inventories	(9,600)
Use of inventories	9,600
Additions to prepaids	(3,300)
Uses of prepaids	3,300
	-
Increase in net debt for the year	**(367)**
Net debt, beginning of year	(412,612)
Net debt, end of year	**(412,978)**

2025-26 Consolidated Capital Expenditures

(All figures in $000s)

	2025-26 Proposed Budget	2024-25 Budget	2024-25 Forecast
Large Capital Projects	51,965	40,396	46,180
Small Capital Projects	16,188	30,378	31,765
Total Preliminary Capital Budget	**68,153**	**70,774**	**77,945**
Hydro Generation	22,273	18,419	48,046
Thermal Generation	9,381	9,043	5,750
Transmission, Distribution & Retail	11,746	6,272	6,113
Corporate Services	2,170	4,081	3,110
Alternative Power	21,958	22,999	3,538
Hay River Franchise	625	9,960	11,389
Total Preliminary Capital Budget	**68,153**	**70,774**	**77,945**
Government Contributions Approved	*(25,758)*	(23,637)	(3,129)
Subtotal Net Capital Budget (Approved Funding)	**42,395**	**47,137**	**74,816**
Government Contributions Proposed			
Subtotal Contributions Approved & Proposed	***(25,758)***	***(23,637)***	***(3,629)***
Total Net Capital Budget (Approved & Proposed)	**42,395**	**47,137**	**74,316**
PSAS Accounting			
Funding Off-set	25,758	23,637	3,629
Capitalized Fuel	-	-	(8,334)
NT Hydro PSAS Total	**68,153**	**70,774**	**69,611**

Major Projects over $400,000

	Location	Est. Completion	Category
Frank Channel Substation Safety Improvement *Substation presents a significant safety hazard due to the lack of sufficient space within the switching structure.*	Behchokǫ̀	2025-26	Safety
Smiley Lake Switch Replacement *Switch structure was damaged during an extreme icing event and upgrades will reduce outage times for communities.*	Behchokǫ̀	2025-26	Reliability
Bluefish Hydro Life Extension - Study & Refurbishment *Conduct assessment studies necessary for extending the hydro generation facility service life by 40 years.*	Bluefish	2028-29	Reliability
Plant Automation Upgrade/SCADA/ PLC/ RTU *Replacement of Bluefish control system.*	Bluefish	2026-27	Reliability
Second Town Feeder *Installing a second distribution feeder.*	Colville Lake	2027-28	Enhancement
Device Management System (IMS) *Implementation of centralized management system.*	Corporate - General	2026-27	Reliability
Substation and Generation Monitoring Equipment *Development of substation automation standards. these systems.*	Corporate - General	2026-27	Reliability
Berm Reinstatement *Restoring integrity of the containment berm and liner.*	Délı̨nę	2025-26	Environment
Power Plant Capacity Increase *Increased community demand requires a scalable power supply that meets both immediate and future energy demands.*	Délı̨nę	2026-27	Enhancement
Fort Providence T-Line *Extend existing transmission system and hydro power to two diesel powered communities reducing GHG emissions.*	Ft. Providence	2027-28	Green Project
Engine Replacement *Replacement of end-of-life equipment.*	Ft. Simpson	2028-29	Reliability
LNG Plant *Install an LNG fueled power plant in Fort Simpson.*	Ft. Simpson	2025-26	Green Project
Buffalo Junction Ev Charging Station *New public electric vehicle charger along the highway between Hay River and Fort Smith or Fort Resolution.*	Ft. Smith	2026-27	Green Project

Distribution System Voltage Conversion *Community distribution system is near maximin capacity, converting to a higher voltage will allow future load growth and a more stable system.*	Ft. Smith	2025-26	Enhancement
Bucket Truck Replacement *Replacement of end-of-life equipment.*	Ft. Smith	2027-28	Reliability
Substation Replacement *Primary 115KV substation replacement.*	Ft. Smith	2027-28	Reliability
Automation/HMI/Control Upgrade *Establish remote monitoring and control capabilities for NTPC's newly acquired Hay River standby diesel plant and distribution network.*	Hay River	2026-27	Enhancement
EMD Plant Utilidor Replacement *Replacement of end-of-life equipment.*	Inuvik	2027-28	Reliability
HVAC Upgrade *Replacement of HVAC system.*	Jackfish	2027-28	Enhancement
CAT Plant Generation Upgrade *Backup generation for the Jackfish Hydro site.*	Jackfish	2025-26	Reliability
CAT Plant Office HVAC Upgrade *Replacing the nonoperational HVAC system within the plant to allow for better temperature and pressure control*	Jackfish	2025-26	Reliability
EMD Plant Control Replacement *Retrofitting existing panels to upgrade the obsolete process and control systems of the EMD plant*	Jackfish	2026-27	Reliability
EMD Plant Heat Exchange Upgrades *Replacement of heat exchangers to avoid contamination of raw water circuit and potential spills.*	Jackfish	2026-27	Reliability
EMD Plant HVAC Upgrade *Replacing the nonoperational HVAC system within the plant to allow for better temperature and pressure control*	Jackfish	2027-28	Reliability
Programmable Controller Platform *Replacement of the currently outdated PLC platform to improve reliability of the power generation assets*	Jackfish	2025-26	Reliability
Snow and Ice Roof Mitigation *Snow and ice safety measures.*	Jackfish	2025-26	Safety

Voltage Conversion *Upgrading of the distribution system allowing for load growth and increased reliability.*	Norman Wells	2025-26	Reliability
Fuel Storage System Upgrade *Upgrade fuel delivery system.*	Paulatuk	2025-26	Environment
Power Plant Fuel Storage Tanks *Storage expansion implemented to mitigate risks associated with fuel shortages during peak or emergency conditions*	Sachs Harbour	2025-26	Enhancement
Bridge Restoration *Bridge replacement to restore functionality and eliminate logistical challenges.*	Snare	2025-26	Safety
Cascades - Machine Condition Monitoring *Install monitoring system on the turbine and generator to track system performance, provide early detection of failing components, and to prevent catastrophic failure.*	Snare	2025-26	Reliability
Falls - Dewatering Pump Replacement *Draft pump and piping replacement to avoid flooding of the plant.*	Snare	2025-26	Reliability
Falls - Machine Condition Monitoring *Install monitoring system on the turbine and generator to track system performance, provide early detection of failing components, and to prevent catastrophic failure.*	Snare	2025-26	Reliability
Falls - Static Exciter & Voltage Regulator Replacement *Replacement of end-of-life equipment.*	Snare	2026-27	Reliability
Falls - Substation Upgrade *Replacement of end-of-life equipment.*	Snare	2027-28	Reliability
Forks - Digital Exciter Control System Upgrade *Replacement of end-of-life equipment.*	Snare	2025-26	Reliability
Forks - Mechanical Overhaul *Major overhaul of hydroelectric unit.*	Snare	2027-28	Reliability
Rapids - Automation Upgrade & MCC *Upgrade motor control panel and new electrical controls.*	Snare	2026-27	Reliability
Rapids - Station Service Diesel Genset Upgrade *Upgrade of the backup genset at Snare Rapids to restore black-start capabilities for the hydro unit excitation system.*	Snare	2026-27	Reliability
Structure Replacements *Replacement of end-of-life equipment.*	Snare	2031-32	Reliability

Anchor Replacements *Replacement of end-of-life equipment.*	Taltson	2030-31	Reliability
Major Overhaul *Major overall of the Taltson Generation Facility to extend it's operational life.*	Taltson	2025-26	Reliability
Substation Replacement *Replacement of end-of-life equipment.*	Taltson	2026-27	New Business
Surge Tower Structural Assessment *Inspect, test, and extend the life of the surge tower.*	Taltson	2026-27	Enhancement
Emergency Gensets *Replacement of end-of-life equipment.*	Thermal - General	2025-26	Reliability
Automation, Breaker & Protection Upgrade *Upgrade plant automation and electrical breakers.*	Tsiigehtchic	2025-26	Reliability
Automation, Breaker & Protection Upgrade *Upgrade plant automation and electrical breakers.*	Ulukhaktok	2025-26	Reliability
Substation Transformer Replacement *Replacement of transformers that energize the distribution feeders due to fire damage*	Ulukhaktok	2026-27	Reliability
Whati New Power Plant *Replacement of end-of-life equipment.*	Whati	2028-29	Reliability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