

**PUBLIC UTILITIES BOARD
OF THE NORTHWEST TERRITORIES**

ANNUAL REPORT

**For the year ending
December 31, 2014**

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Northwest
Territories Minister Responsible for the Public Utilities Board

March 3, 2015

The Honourable George Tuccaro
Commissioner of the Northwest Territories

I am submitting the Annual Report of the Public Utilities Board of the Northwest Territories for the calendar year ending December 31, 2014.

A handwritten signature in blue ink, appearing to read "D. Ramsay".

David Ramsay
Minister Responsible for the Public Utilities Board

Attachment





March 3, 2015

The Honourable David Ramsay
Minister Responsible for the
Public Utilities Board of the Northwest Territories

Dear Minister Ramsay:

I am pleased to submit the Annual Report of the Public Utilities Board of the Northwest Territories for the calendar year ending December 31, 2014, in accordance with the provisions of Section 16. (1) of the *Public Utilities Act*.

Yours truly,

Gordon Van Tighem
Chairperson

PUBLIC UTILITIES BOARD OF THE NORTHWEST TERRITORIES

Mandate

The Public Utilities Board of the Northwest Territories ("**Board**") is an independent regulatory agency of the Territorial Government operating under and administering the *Public Utilities Act* ("**Act**"). The Board is primarily responsible for the regulation of energy utilities in the Northwest Territories ("**NWT**"), to ensure that the rates charged for energy are fair, just and reasonable. It is also responsible for ensuring utility operators provide safe, adequate and secure services to their customers.

Board Organization

The Board consists of a part time Chairperson and four part time members. The Board Secretary, who reports to the part time Chairperson, administers the office. As the chief executive officer, the Chairperson presides over sittings of the Board and supervises Board employees.

The Board requires specialized assistance and so has contracts for legal counsel and technical expertise. No changes are contemplated, as the arrangement is cost effective.

The Minister Responsible for the Board, upon the recommendation of the Executive Council, appoints members of the Board. At the end of 2014, the Board consisted of the following persons:

Chairperson	Gordon Van Tighem, Yellowknife, Northwest Territories
Vice-Chairperson	Sandra Jaque, Fort Smith, Northwest Territories
Member	William Koe, Fort McPherson, Northwest Territories
Member	Michael McLeod, Fort Providence, Northwest Territories
Member	Charlie Furlong, Aklavik, Northwest Territories

The Board was assisted by:

Board Secretary	Louise Larocque, Hay River, Northwest Territories
Legal Counsel	Ayanna Catlyn, Field Law, Yellowknife, Northwest Territories
Consultant	Raj Retnanandan, Energy Management & Regulatory Consulting Ltd., Calgary, Alberta

REGULATORY JURISDICTION

Following are the utilities subject to the Board's jurisdiction:

Northwest Territories Power Corporation
Head Office: Hay River, Northwest Territories

Stittco Utilities NWT Ltd.
Head Office: Hay River, Northwest Territories

Northland Utilities (NWT) Limited
Head Office: Hay River, Northwest Territories

Northland Utilities (Yellowknife) Limited
Head Office: Yellowknife, Northwest Territories

The Town of Norman Wells
Head Office: Norman Wells, Northwest Territories

Aadrii Ltd.
Head Office: Yellowknife, Northwest Territories

Inuvik Gas Ltd.
Head Office: Inuvik, Northwest Territories

UTILITY REGULATION

The need for regulation arises because utilities generally provide service on a monopoly basis without the economic controls of competition. The Board is the proxy for competition and attempts to ensure efficiency and fair pricing. The principles of rate regulation rest on fairness to both the utility and the consumer.

Energy utilities, as defined in the *Act*, are subject to Board regulation. The Board's principal responsibility is to ensure that each utility provides safe, adequate service at rates which are just and reasonable. When it receives an application to set rates, primarily through a General Rate Application ("**GRA**"), the Board must balance the competing interests of consumers, and the utilities. Rates are set through a public hearing process. The Board's objective through the hearing process is to guarantee that the public interest is served and protected.

Public involvement is an essential component of the regulatory process. The Board ensures the opportunity for public participation by directing the applicant to publish a notice, approved by the Board, advising that a hearing is to be held to consider the application. The notice may be published in newspapers throughout the utility's service area, included in each customer's monthly billings, or such other method that the Board considers appropriate.

The Board has the authority to award costs at the conclusion of a hearing. Interveners before the Board may receive up to 100% of their reasonably incurred costs provided that, in the Board's opinion, the intervention contributed in a meaningful way to the Board's understanding of the application.

Interveners are interested parties who register with the Board and receive copies of the application and all written questions and answers.

Interveners may take an active role in the hearing process. They may submit written questions, give evidence, call expert witnesses, and cross-examine the applicant. The applicant, as well as other interveners, is provided the opportunity to cross-examine the intervener and the intervener's expert witnesses. Alternatively, the intervener may choose to not actively participate in the hearing, but simply receive all available information.

After hearing and reviewing the evidence, the Board issues its Decision on the application. The Board may reject the rate change, modify it, or approve it as requested.

The Board also approves major capital projects, the issuance of long-term debt and municipal franchise agreements.

2014 HIGHLIGHTS

Development of Standardized System of Accounts/Minimum Filing Requirements ("SSA/MFR") – General Rate Application Filing Manual

On May 24, 2013, the Committee, consisting of representative membership from the NWT electric utilities and intervener groups, with Mr. Raj Retnanandan, Board representative, serving as the SSA/MFR Committee Chairperson, filed the Terms of References ("TOR") and was approved by the Board on May 31, 2013.

Under the TOR, the Committee's task is to develop the SSA/MFR, on a consensus basis, to be adopted and used by regulated utilities in the Northwest Territories. Each Utility's SSA must facilitate meaningful comparison of data, across utilities. The MFR for GRAs are to facilitate and enhance informed, evidence based regulation of public utilities in the Northwest Territories while facilitating the achievement of regulatory and process efficiencies. The Committee's mandate is also to determine guidelines and timelines for transitioning and implementation of the SSA/MFR.

The specific deliverables for the Committee are as follows:

- Consensus Standardized System of Accounts
- Consensus Minimum Filing Requirements
- Minimum Filing Requirements Index of Schedules
- Minimum Filing Requirements Supporting Schedules Template in Excel Format
- SSA/MFR Implementation Schedule including cut over dates
- Identification of historical data restatement requirements

By e-mail dated September 16, 2014, the Committee submitted its consensus report to the Board. This report was later amended on October 29, 2014. The September 16, 2014 MFR Report (as amended October 29, 2014) together with Appendices thereto was submitted to the Board by the MFR Committee Chair for approval, on October 29, 2014.

The Board issued a Decision directing the Utilities to file a documented narrative description of the system of accounts for each utility complete with instructions to the Utility and incorporating changes necessary to support and comply with the MFR as discussed in the MFR Report, by December 31, 2014. The Utilities were also directed to comply with the MFR requirements and the requirements respecting Reports of Finances and Operations including implementation dates and transitional arrangements as set out in the MFR Report.

Northwest Territories Power Corporation ("NTPC")

In Board Decision 16-2010, the Board approved the establishment of a Territory-wide Rate Stabilization Fund ("**RSF**") Rider for NTPC in order to flow through to customers variances between forecast and actual fuel costs, pursuant to the Electricity Rate Policy Guidelines issued by the Minister Responsible for the Public Utilities Board.

In Board Decision 1-2013 respecting NTPC's 2012/13 and 2013/14 GRA, the Board set out details respecting the operation of the RSF. The purpose of the RSF Rider is to flow through to customers, subject to a \$2.5 million threshold, variances in fuel prices and purchased power prices relative to the GRA forecast, and to flow through fuel mix variances in dual fuel communities.

By letter dated March 10, 2014, NTPC filed an RSF Application with the Board. NTPC stated that based on the forecast balances NTPC is seeking to implement a RSF Rider of 1.00 cents/kWh, effective April 1, 2014. The rider would apply to all firm power customers with the exception of NUL NWT. The requested RSF Rider was later revised by NTPC to 1.17 cents/kWh effective May 1, 2014. The Board issued Decision 6-2014 approving the RSF Rider of 1.17 cents/kWh, effective May 1, 2014.

By letter dated September 3, 2014, NTPC submitted an application to establish a RSF rider ("**Drought Rider**") of 3.69 cents/kWh to recover fuel expenses associated with the current low water situation and a deferral in the filing of NTPC's Phase II GRA until its next GRA, which would consist of a combined Phase I and Phase II.

NTPC stated that consistent with the approved RSF rules, the Drought Rider would apply to all firm power customers with the exception of NUL NWT. The Drought Rider targets to collect the low water related fuel charges to the RSF with a 24-month period beginning October 1, 2014

NTPC indicated that the low water conditions are forecast to add \$20 million to fuel expense. NTPC submitted that the cost of this uncontrollable event leaves no room for any further rate adjustments that may arise from the Phase II GRA.

During the Board's review of the application, the Board received letters from the City of Yellowknife, Town of Norman Wells, Town of Fort Smith, and Norman Wells Chamber of Commerce requesting the Board to reject or deny NTPC's application. Aaron Reid, representing concerned citizens and members of the public, also filed a petition that consists of a total of 1,624 signatures requesting that the Board reject the rate increase filed by NTPC.

On September 26, 2014, the GNWT issued a news release stating that the GNWT will cover the \$20 million in additional cost NTPC faces as a result of extreme low water conditions on the Snare hydro system this summer.

The Board stated that NTPC's request to withdraw the Low Water Rider Application dated September 3, 2014 is not accepted. The Board directed NTPC to set the Drought Rider to zero during the period April 2014 to September 2016 which would allow the revenues and costs applicable to the low water situation to be accounted for through the RSF account.

The Board directed NTPC to account for the \$20 million cash infusion by the GNWT within the RSF and file updates to the RSF account, as of March 31, 2015, March 31, 2016 and September 30, 2016.

The Board also directed NTPC to file a Report describing how it intends to address medium to longer term resource planning and resource management issues arising from future incidences of low water conditions as applicable to the Snare-Yellowknife system, by April 1, 2015.

The Board directed NTPC to file its 2012/14 Phase II GRA by May 1, 2015.

Northland Utilities (NWT) Limited ("NUL NWT")

2014/15 Phase I GRA

By letter dated December 2, 2013, NUL NWT filed its Phase I GRA with the Board with respect to the test years 2014 and 2015. NUL NWT requested approval to enter into formal negotiated settlement discussions with the Town of Hay River ("**Hay River**") and the Hamlet of Fort Providence ("**Fort Providence**") and also suspend the current process established for the proceedings.

On July 4, 2014, NUL NWT filed and requested Board approval of the settlement arrived at as a "package deal" agreement between NUL NWT, Hay River and Fort Providence.

The Board issued Decision 9-2014, dated September 24, 2014, and approved the settlement as filed and directed NUL NWT to refile a complete set of Phase I revenue requirement schedules reflecting the Decision and the Phase I settlement together with any request for interim rate adjustment with 30 days of the Decision.

In a letter dated October 10, 2014, NUL NWT submitted a Compliance Filing Application, in accordance with Board Decision 9-2014. The Compliance Filing

included a complete set of Phase I revenue requirement schedules reflecting the Settlement. As part of its Compliance Filing Application, NUL NWT requested approval from the Board for the 2014 Rider E (Temporary Refund/Surcharge Rider) set to 3.42% effective November 1, 2014, the 2014 Rider K (Interim Refundable Rate Rider) set to \$0.00/kWh effective November 1, 2014 and the 2015 Rider R (Rate Adjustment Rider) set to 10.849% for the Hydro Rate Zone and 10.790% for the Thermal Rate Zone, effective January 1, 2015.

On October 30, 2014, the Board issued Decision 12-2014 and approved the Phase I rate design schedules provided in the Application. The Board also approved the Rider E and K, effective November 1, 2014 and Rider R, effective January 1, 2015, as described in the Application.

2014/15 Phase II GRA

By letter dated July 25, 2014, NUL NWT filed its Phase II GRA with the Board for approval, with respect to the test years 2014 and 2015. NUL NWT stated that the Phase II GRA consist of a Cost of Service Study, Rate Design and corresponding rate schedules and the Terms and Conditions of Service.

On July 4, 2014, NUL NWT filed its Application for Approval of a Negotiated Settlement with respect to its 2014-2015 Phase I GRA. Accordingly, the proposed rates in this Phase II Application are based on recovering the adjusted cost items arising from the Phase I Negotiated Settlement Agreement.

NUL NWT has also included its responses to Board directions. These responses include the directions from Decision 5-2012 with respect to its 2011-2013 Phase II GRA and the Net Metering directions from Decision 1-2014 with respect to the NTPC-NUL Net Metering Application. In light of recent discussions with the Government of the Northwest Territories ("**GNWT**") and other parties on March 28, 2014, NUL NWT will respond to Rate Design related Net Metering directions, from Decision 1-2014, as a separate module or proceeding after the GNWT discussion paper on this topic is released at a later date.

The Board set a schedule for the review the Phase II GRA.

In a letter dated November 26, 2014, the Board stated that with the receipt of responses to information requests from Fort Providence on November 24, 2014, the Board now has the views of parties respecting the process for considering rates associated with the net metering program.

The Board stated that when questioned on NUL NWT's view on the process for dealing with the net metering rates, NUL NWT stated the following in BR NWT 3b):

Pending review of the GNWT Discussion Paper and any Board Orders included in this Phase II decision, Northland envisions Net Metering rate design unfolding in the following way:

- Northland will review the Board Order as part of this Application.
- Northland will then review the GNWT Discussion Paper.
- Northland will meet with the GNWT and NTPC to align Rate Design strategies.
- Finally, Northland will submit a Net Metering rate schedule proposal to the Board for approval.

The Board stated that in response to the above proposal, Fort Providence submitted the following in BR FP 2a):

FP does not support NUL's proposal to file a Net Metering rate design proposal reflecting the directions of the Board in Decision 1-2014 only after the Board has issued a "Board Order as part of this Application." This is contrary to the clear direction of the Board in Decision 1-2014 "to address cost allocation and rate design in light of these comments at the time of their next Phase II application."

The Board indicated that in Decision 1-2014, page 37, the Board made the following comments respecting the establishment of rates including net metering rates:

The Board considers that, as a general principle of rate design for the next Phase II, the Utilities must consider the system benefits resulting from implementation of the Net Metering Program, pursuant to the GNWT's Solar Energy Strategy and the requirement, pursuant to Section 48 of the Public Utilities Act, to establish rates that are not unreasonable, unjustly discriminatory or unduly preferential. Certain determinations respecting cost responsibility have been made in Section 6.2 of this Decision and, in order to provide certainty, the treatment of these costs for rate making purposes in the next Phase II, should remain consistent with this Decision. The Utilities are directed to address cost allocation and rate design in light of these comments at the time of their next Phase II application.

The Board considered the matters related to net metering are best dealt with in the context of the current Phase II proceedings in view of the balancing that is required within and among rate classes in order to design just and reasonable rates. The Board also considered examining net metering rates in a rate making context may provide a framework for subsequent structuring of specific Government initiatives, if any, with respect to net metering arising from the Government Discussion Paper alluded to by NUL. It is to be noted that the design and structure of Government programs are outside the scope and jurisdiction of the Board.

In view of the foregoing, the Board required NUL NWT's net metering application and proposed rates to be filed within the context of the current Phase II proceedings. Accordingly, the Board had established a schedule for the remainder of these proceedings.

The Board set the hearing for NUL NWT's Phase II GRA and Net Metering proposal and rates, on April 23 and 24, 2015.

Inuvik Gas Ltd. ("IGL")

By letter dated August 14, 2014, the Inuvik Chamber of Commerce ("ICC") requested the Board to review certain heating fuel revenues collected by IGL. ICC's letter stated that it is the opinion of the business community that trucks hauling propane for IGL have been substantially reduced. Hence, many customers have concluded that IGL has been drawing-down natural gas from the Ikhil Well. This fuel source is priced lower than alternatives, yet lower cost have not been reflected on customer bills.

In view of the concern respecting rates referred to in the ICC letter, the Board requested IGL to respond to the ICC concern generally and the also following questions:

1. Please provide IGL's policy and practice with regard to reflecting the cost of gas from the Ikhil Well versus SNG, in the rates to customers.
2. If the rates to customers are changed from time to time to reflect changes in the cost of gas, what is the trigger mechanism and timeframe for giving effect to such changes?
3. How much natural gas has been used versus SNG between January, 01 and July, 31, 2014?
4. Are the heating trace costs still being accounted for in rates?
5. Does the approximate \$36 per gigajoule include capital expenditures?

The Board requested IGL to respond to the complaint and the Board's information requests by September 26, 2014.

Following receipt and review of IGL's responses, the Board requested ICC to advise the Board by October 10, 2014, whether it wishes to pursue a complaint against IGL and, if so, provide the specific grounds for the complaint and indicate whether a further process is required.

By letter dated November 13, 2014, the Board stated that since it has not received any comments from ICC, the Board considers the matter closed. The Board did not issue a decision.

Other Matters

The Board dealt with other regulatory matters that are detailed in the decision summary.

Board members participated in the Annual Conference and Annual General Meeting hosted by the Canadian Association of Members of Public Utility Tribunals (“**CAMPUT**”). CAMPUT is the Board’s primary resource for providing staff and Board members with training and education in areas of utility regulation.

The Board hosted the 2014 CAMPUT Conference and AGM in Yellowknife, on August 24 to 27, 2014. All Board members and staff attend this conference.

Mr. Gordon Van Tighem and Mr. Michael McLeod attended the Regulatory Key Topic Meeting that was held in Toronto on February 10 to 12, 2014.

Mr. McLeod also attended the 2014 Energy Regulation Course in Kingston.

A LOOK AHEAD

As noted 2014 demonstrated further progress in reducing the cost and complexity of regulation. A number of Decisions were completed through 'negotiated' settlement and our Standardized System of Accounts and Minimum Filing Requirements were accepted and will be in effect for the full year 2015.

Moving forward the Phase 2 component of last year's GRA's will be undertaken later this year. The volatility of fuel pricing will continue to require our active monitoring to verify the effect of ongoing change. In addition we are committed to scheduled monitoring of the application of the recent Low Water Rider.

Some significant change may be expected this year with Net Metering becoming a reality and undergoing fine tuning as more residents adapt this alternative technology and the Energy Plan evolves. In addition, significant solar projects in Colville Lake and Lutsel ke will be reviewed. LNG and biomass continue as considerations in areas of the NWT also adding to the complexity of our domestic energy market.

Last year the NWT played host to the AGM of the Canadian Association of Members of Public Tribunals where once again discussion revolved around the complexity of our small market and the intensity with which we operate and regulate. Innovation in our Northern Territories is watched closely by our southern neighbours as we continue to lead in many areas. (While we continue to monitor some of the innovations in rate setting they are testing.)

SUMMARY OF 2014 BOARD DECISIONS

DECISION 1-2014

January 31, 2014

Application:

The Board received Applications for approval of a Net Metering Program from NTPC and Northland Utilities Limited (“**Northland**”) on June 14, 2013 and July 31, 2013, respectively.

The Board established a written hearing process to fully consider the design of the project.

Order:

The Board approved the instructions to NTPC and Northland and Eligible Customers, for implementation and operation of the Net Metering Program, effective January 1, 2014.

DECISION 2-2014

February 18, 2014

Application:

By letter dated January 2, 2014, the counsel for the Thermal Generation Communities (“**TGC**”), Mr. G. Rangi Jeerakathil, made an application to the Board for intervener costs with respect to NTPC’s and Northland’s Net Metering Applications, in an amount of \$10,213.00.

By letter dated January 13, 2014, Northland stated that it had reviewed the application and found the costs reasonable.

By letter dated January 27, 2014, NTPC stated that it had no comments regarding the cost claim submitted. NTPC also stated that recognizing that the Net Metering proceeding is applicable to both Northland and NTPC and considering the amount of intervention was approximately equal for both utilities, the Board might consider splitting these costs at 50% for each utility.

Order:

The Board awarded costs in the amount of \$10,213.00 to TGC. NTPC and Northland shall each forward payments of \$5,106.50 to TGC.

DECISION 3-2014

March 31, 2014

Application:

By letter dated March 11, 2014, NTPC requested Board approval for the 5.6% increase in base energy rates.

Order:

The Board approved a 5.6% increase in base energy rates, effective April 1, 2014 to give effect to the phasing in of the recovery of the 2013/14 revenue requirement in year 2014/15.

DECISION 4-2014

April 23, 2014

Application:

By letter dated April 14, 2014, NUL NWT submitted an application requesting approval for an increase to the Purchase Power Cost Adjustment Rider (Rider F) applicable to the Hydro Rate Zone.

Order:

The Board reviewed the schedules and information provided by NUL NWT and approved the rate rider application, effective May 1, 2014.

DECISION 5-2014

April 23, 2014

Application:

By letter dated April 15, 2014, Northland Utilities (Yellowknife) Limited (“NUL YK”) submitted an application requesting approval for an increase to the Purchase Power Cost Adjustment Rider (Rider F) applicable to the City of Yellowknife customers.

Order:

The Board reviewed the schedules and information provided by NUL YK and approved the rate rider, effective May 1, 2014.

DECISION 6-2014

April 29, 2014

Application:

By letter dated March 10, 2014, NTPC filed its RSF Application with the Board. NTPC stated that based on the forecast balances, NTPC is seeking to implement a RSF Rider of 1.00 cents/kWh, effective April 1, 2014. The rider would apply to all firm power customers with the exception of NUL NWT.

Order:

The Board reviewed the schedules and information provided by NTPC and approved the rate rider, effective May 1, 2014.

DECISION 7-2014

May 21, 2014

Application:

By letter dated May 9, 2014, NUL YK submitted an application requesting approval for an increase to the Rider F applicable to the City of Yellowknife customers.

Order:

The Board reviewed the schedules and information provided by NUL YK and approved the rate rider, effective June 1, 2014.

DECISION 7-2014 Errata

July 7, 2014

On May 21, 2014, the Public Utilities Board issued Decision 7-2014.

On Page 1, last paragraph, the Board stated "In Decision 5-2014 dated April 23, 2014, the Board approved Rider F in the amount of \$0.0338 per kWh effective May 1, 2014 in order to flow through NTPC's increase to Wholesale rates of \$0.0117 per kWh as approved in Decision 6-2014 and to true up purchase power deferral account balances", it should have stated "In Decision 5-2014 dated April 23, 2014, the Board approved Rider F in the amount of \$0.0338 per kWh effective May 1, 2014 in order to flow through NTPC's increase to Wholesale rates of \$0.0095 per kWh as approved in Decision 3-2014 and to true up purchase power deferral account balances".

Further to Section 25 (3) of the *Public Utilities Act*, this Errata Decision is issued to correct this typographical error.

DECISION 8-2014

August 19, 2014

Application:

By letter dated July 31, 2014, NTPC filed an application for approval of the following zone based 100W LED street lighting rates for the fiscal year 2014/15:

- a. Thermal Zone: \$40.42/lamp/month
- b. Snare Zone: \$27.22/lamp/month
- c. Taltson Zone: \$10.52/lamp/month

Order:

The Board has reviewed NTPC's rationale for the proposed zone based rates for 100W LED streetlights and approves the 2014/15 rate schedules, effective September 1, 2014.

DECISION 9-2014

September 24, 2014

Application:

By letter dated December 2, 2013, NUL NWT filed its Phase I GRA with the Board with respect to the test years 2014 and 2015. NUL NWT requested approval to enter into formal negotiated settlement discussions with Hay River and Fort Providence and also suspend the current process established for the proceedings.

On July 4, 2014, NUL NWT filed and requested Board approval of the settlement arrived at as a "package deal" agreement between NUL NWT, Hay River and Fort Providence.

Order:

The Board approved the settlement as filed and directed NUL NWT to refile a complete set of Phase I revenue requirement schedules reflecting the Decision and the Phase I settlement together with any request for interim rate adjustment with 30 days of this Decision.

DECISION 10-2014

October 20, 2014

Application:

By letter dated April 28, 2014, the counsel for the City of Yellowknife and the Town of Hay River ("YK/HR"), Mr. Thomas D. Marriott, made an application to the Board for intervener costs with respect to NTPC's and Northland's Net Metering Applications, in an amount of \$10,844.30.

On August 28, 2014, Ms. Rebecca Daw, Legal Assistant to Mr. Marriott, inquired about the application filed on April 28, 2014. Due to a technical problem, the Board did not receive YK/HR's intervener costs application. Ms. Daw re-submitted the Application, on behalf of YK/HR, for intervener costs on August 28, 2014.

By letter dated September 11, 2014, Northland stated that it had reviewed the application and found the costs reasonable.

By letter dated September 18, 2014, NTPC stated that it had no comments regarding the cost claim submitted. NTPC also stated that recognizing that the Net Metering proceeding is applicable to both Northland and NTPC and considering the amount of intervention was approximately equal for both utilities, the Board might consider splitting these costs at 50% for each utility.

Order:

The Board awarded costs in the amount of \$10,844.30 to YK/HR. NTPC and Northland shall each forward payments of \$5,422.15 to YK/HR.

DECISION 11-2014

October 22, 2014

Application:

By letter dated September 3, 2014, NTPC submitted an application to establish a Drought Rider of 3.69 cents/kW.h to recover fuel expenses associated with the current low water situation and a deferral in the filing of NTPC's Phase II GRA until its next GRA, which would consist of a combined Phase I and Phase II.

NTPC stated that consistent with the approved RSF rules, the Drought Rider would apply to all firm power customers with the exception of NUL NWT. The Drought Rider targets to collect the low water related fuel charges to the RSF with a 24-month period beginning October 1, 2014

NTPC indicated that the low water conditions are forecast to add \$20 million to fuel expense. The current application requested that these costs be recovered from customers over the next two years. NTPC submitted that the cost of this uncontrollable event leaves no room for any further rate adjustments that may arise from the Phase II GRA.

During the Board's review of the application, the GNWT, on September 26, 2014, issued a news release stating that the GNWT will cover the \$20 million in additional cost NTPC faces as a result of extreme low water conditions on the Snare hydro system this summer.

Order:

The Board stated that NTPC's request to withdraw the Low Water Rider Application dated September 3, 2014 is not accepted. The Drought Rider is set to zero during the period April 2014 to September 2016 which would allow the revenues and costs applicable to the low water situation to be accounted for through the RSF account.

The Board directed NTPC to account for the \$20 million cash infusion by the GNWT within the RSF and file updates to the RSF account, as of March 31, 2015, March 31, 2016 and September 30, 2016.

The Board also directed NTPC to file a Report describing how it intends to address medium to longer term resource planning and resource management issues arising from future incidences of low water conditions as applicable to the Snare-Yellowknife system, by April 1, 2015.

The Board directed NTPC to file its 2012/14 Phase II GRA by May 1, 2015.

DECISION 12-2014

October 30, 2014

Application:

In a letter dated October 10, 2014, NUL NWT submitted a Compliance Filing Application, in accordance with Board Decision 9-2014. The Compliance Filing included a complete set of Phase I revenue requirement schedules reflecting the Settlement.

As part of its Compliance Filing Application, NUL NWT requested approval from the Board for:

- 1) 2014 Rider E (Temporary Refund/Surcharge Rider) set to 3.42% effective November 1, 2014;
- 2) 2014 Rider K (Interim Refundable Rate Rider) set to \$0.00/kWh effective November 1, 2014;
- 3) 2015 Rider R (Rate Adjustment Rider) set to 10.849% for the Hydro Rate Zone and 10.790% for the Thermal Rate Zone effective January 1, 2015.

Order:

Having reviewed the Compliance Filing and the accompanying schedules, the Board approved the Phase I rate design schedules provided in the Application. The Board approved the Rider E and K, effective November 1, 2014 and also Rider R, effective January 1, 2015, as described in the Application.

DECISION 13-2014

November 24, 2014

Application:

In a letter dated March 27, 2013, the Board proposed to constitute the SSA/MFR Project Committee, consisting of representative membership from the NWT electric utilities and intervener groups, with Mr. Raj Retnanandan, Board representative, serving as the SSA/MFR Committee Chairperson.

The Terms of References ("TOR") was filed by the Committee on May 24, 2013, and approved by the Board on May 31, 2013.

Under the TOR, the Committee's task is to develop the SSA/MFR, on a consensus basis, to be adopted and used by regulated utilities in the Northwest Territories. Each Utility's SSA must facilitate meaningful comparison of data, across utilities. The MFR for GRAs are to facilitate and enhance informed, evidence based regulation of public utilities in the Northwest Territories while facilitating the achievement of regulatory and process efficiencies. The Committee's mandate is also to determine guidelines and timelines for transitioning and implementation of the SSA/MFR.

By e-mail dated September 16, 2014, the Committee submitted its consensus report to the Board. This report was later amended on October 29, 2014. The September 16, 2014 MFR Report (as amended October 29, 2014) together with Appendices thereto was submitted to the Board by the Committee Chair for approval, on October 29, 2014.

Order:

The Board issued a Decision directing the Utilities to file a documented narrative description of the system of accounts for each utility complete with instructions to the Utility and incorporating changes necessary to support and comply with the MFR as discussed in the MFR Report, by December 31, 2014. The Utilities were also directed to comply with the MFR requirements and the requirements respecting Reports of Finances and Operations including implementation dates and transitional arrangements as set out in the MFR Report.

DECISION 14-2014

December 8, 2014

Application:

By letter dated November 21, 2014, NUL NWT applied to the Board for approval to issue a long term debt instrument in the amount of \$400,000, by way of an unsecured debenture with an interest rate of 4.210% to ATCO Electric Ltd.

Order:

After reviewing the application, the Board approved the issuance of the Debenture, in the principal amount of \$400,000 at an interest rate of 4.120% to ATCO Electric Ltd.

DECISION 15-2014

December 8, 2014

Application:

By letter dated November 21, 2014, NUL YK applied to the Board for approval to issue a long term debt instrument in the amount of \$1,700,000, by way of an unsecured debenture with an interest rate of 4.210% to ATCO Electric Ltd.

Order:

After reviewing the application, the Board approved the issuance of the Debenture, in the principal amount of \$1,700,000 at an interest rate of 4.120% to ATCO Electric Ltd.

DECISION 16-2014

December 19, 2014

Application:

By letter dated November 14, 2014, the Counsel for Fort Providence, Mr. G. Rangi Jeerakathil, made a revised Application to the Board for intervener costs with respect to NUL NWT's 2014/15 Phase I GRA and Interim Rate Application. The costs consisted of Legal Fees, Consultant Fees and Disbursements in the amount of \$51,034.32.

By letter dated December 1, 2014, NUL NWT stated that it has reviewed the application and found the costs submitted reasonable and in accordance with the Board's Scale of Costs.

Order:

The Board awarded costs in the amount of \$51,034.32 to Fort Providence.