



# 2008 Annual Report



Public Utilities Board  
of the  
Northwest Territories



**PUBLIC UTILITIES BOARD  
OF THE NORTHWEST TERRITORIES**

**ANNUAL REPORT**

**For the year ending  
December 31, 2008**

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Northwest  
Territories Minister Responsible for the Public Utilities Board

The Honourable Anthony W. J. Whitford  
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, 2008.

A handwritten signature in cursive script, reading "Robert R. McLeod".

Robert R. McLeod  
Minister

Attachment





Northwest  
Territories Public Utilities Board

February 6, 2009

The Honourable Robert R. McLeod  
Minister Responsible for the  
Public Utilities Board of the Northwest Territories

Dear Minister McLeod:

I am pleased to submit the Annual Report of the Public Utilities Board of the Northwest Territories for the calendar year ending December 31, 2008, in accordance with the provisions of Section 16. (1) of the *Public Utilities Act*.

Yours truly,

Joe Acorn  
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 position of Chairperson has been part time since April 1, 2001. 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 2008, the Board consisted of the following persons:

<b>Chairperson</b>	Joe Acorn, Yellowknife, Northwest Territories
<b>Vice-Chairperson</b>	John E. Hill, Devon, Alberta
<b>Member</b>	William Koe, Fort McPherson, Northwest Territories
<b>Member</b>	Sandra Jaque, Fort Smith, Northwest Territories
<b>Member</b>	Jake Heron, Yellowknife, Northwest Territories

Gene Nikiforuk was a member of the Board until March 31, 2008 when his appointment expired. He was replaced on April 1<sup>st</sup>, 2008 by Jake Heron.

The Board was assisted by:

<b>Board Secretary</b>	Louise Larocque, Hay River, Northwest Territories
<b>Legal Counsel</b>	John Donihee Professional Corporation, Calgary, Alberta
<b>Consultant</b>	Raj Retnanandan, Energy Management & Regulatory Consulting Ltd., Edmonton, 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 setting rates 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.



## 2008 HIGHLIGHTS

2008 was the busiest year in the history of the Board with the issuance of 33 decisions including major General Rate Application (“**GRA**”) decisions for all three electrical utilities operating in the Northwest Territories.

### ***NTPC 2006/07 and 2007/08 Phase 2 GRA***

On September 26, 2008 the Northwest Territories Power Corporation (“**NTPC**”) filed its 2006/07 and 2007/08 Phase 2 GRA. The Board received submissions from interested parties through a written process. The Board issued Decision 26-2008 providing directions to NTPC to refile its Phase 2 GRA. NTPC, by letter dated October 30, 2008, refiled its Phase 2 Application. The Board issued Decision 27-2008 on October 31<sup>st</sup> approving the rate schedules, effective November 1, 2008.

### ***NUL YK 2008/09/10 Phase 1 and 2 GRA***

On February 8, 2008, Northland Utilities (Yellowknife) Limited (“**NUL YK**”) filed its 2008/09/10 Phase 1 GRA. On April 2, 2008, NUL YK filed its Phase 2 GRA.

The Board held a hearing on the Phase 1 GRA on June 18 and 19, 2008 in Yellowknife and on June 25, 2008 in Hay River. The Board issued Decision 24-2008 in which the Board set out its findings with respect to the issues raised during the proceeding and directed NUL YK to refile its application within 30 days of the release of the Board’s Phase 2 Decision.

With respect to the Phase 2 GRA, the Board granted permission to NUL YK to enter into formal Negotiated Settlement discussions with the only intervener, the City of Yellowknife. A Negotiated Settlement was reached and placed before the Board for its review and approval. The Board issued Decision 28-2008 in which the Board set out its findings with respect to the Settlement and directed NUL YK to refile its application within 30 days.

NUL YK, by letter dated December 12, 2008, submitted a combined Phase 1 and 2 GRA Refiling. The Board issued Decision 1-2009 on January 26, 2009, approving the rate schedules, effective February 1, 2009.

### ***NUL NWT 2008/09/10 Phase 1 and 2 GRA***

On February 8, 2008, Northland Utilities (NWT) Limited (“**NUL NWT**”) filed its 2008/09/10 Phase 1 GRA. On April 2, 2008, NUL YK filed its Phase 2 GRA.

The Board held a hearing on the Phase 1 GRA on June 19, 2008 in Yellowknife and June 25, 2008 in Hay River. The Board issued Decision 25-2008 in which the Board set out its findings with respect to the issues raised during the proceeding and directed the NUL NWT to refile its application within 30 days of the release of the Board’s Phase 2 Decision.

With respect to the Phase 2 GRA, the Board granted permission to NUL NWT to enter into formal Negotiated Settlement discussions with the interveners (Town of Hay River and Hamlet of Fort Providence). A Negotiated Settlement was reached and placed before the Board for its review and approval. The Board issued Decision 29-2008 in which the Board set out its findings with respect to the Settlement and directed NUL NWT to refile its application within 30 days.

NUL NWT, by letter dated December 12, 2008, submitted a combined Phase 1 and 2 GRA Refiling. The Board issued a Decision 2-2009 on January 26, 2009, approving the rate schedules, effective February 1, 2009.

***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 also provided assistance to the Government of the Northwest Territories ("**GNWT**") by reviewing drafts of the public discussion paper that was issued as part of the GNWT's review of electricity regulation, rates and subsidy programs in the Northwest Territories.

## A LOOK AHEAD

2009 looks to be a much quieter year for the Board after the record number of decisions that were issued in 2008.

Having recently completed GRAs for all three electrical utilities in the NWT, the Board anticipates that the filing of the next GRA will not occur until early 2010 by the NTPC. NUL YK and NUL NWT will likely not file their next GRAs until late 2010 at the earliest.

With 2009 anticipated to be a slower year on regulatory matters, the Board will use this opportunity to turn its attention to some internal matters such as revising the Board's *Rules of Practice and Procedure* and taking care of other internal procedural and policy matters. The Board will also participate where appropriate in the GNWT's review of electricity regulation, rates and subsidy programs in the Northwest Territories.

The Board will also consider whether or not it should initiate a generic return on equity and capital structure proceeding that would involve all 3 NWT electrical utilities.

## SUMMARY OF 2008 BOARD DECISIONS

### DECISION 1-2008

January 21, 2008

#### **Application:**

By letter dated December 14, 2007, the Counsel for the Thermal Generation Communities ("TGC"), Mr. A.O. Ackroyd, made an application to the Board for intervener costs in an amount of \$4,353.42.

On December 31, 2007, NTPC provided their comments and stated that the TGC qualifies for the 100% GST rebate. NTPC recommended that the cost claim be adjusted to exclude the GST, a reduction of \$246.42.

#### **Order:**

The Board agreed with NTPC on the GST issue and did not award any recovery of GST as part of this cost order. Accordingly, the Board awarded costs in the amount of \$4,107.00 to the TGC.

### DECISION 2-2008

January 21, 2008

#### **Application:**

By letter dated January 8, 2008, NUL NWT submitted an application to the Board for an order to increase Rider F, applicable to the Hay River rate zone. NUL NWT stated it is proposing to flow through NTPC's net rate increase, by increasing Rider F.

#### **Order:**

The Board reviewed the submissions and supporting schedules. The Board noted the application was consistent with the Board's existing procedures for adjustment of Rider F resulting from changes in the purchased power charge. The Board approved the change to Rider F, effective February 1, 2008.

### DECISION 3-2008

January 21, 2008

#### **Application:**

By letter dated January 8, 2008, NUL YK submitted an application to the Board for an order to increase Rider C, applicable to the City of Yellowknife customers. NUL YK stated it is proposing to flow through NTPC's net rate increase, by increasing Rider C.

**Order:**

The Board reviewed the submissions and supporting schedules. The Board noted the application was consistent with the Board's existing procedures for adjustment of Rider C resulting from changes in the purchased power charge. The Board approved the change to Rider C, effective February 1, 2008.

**DECISION 4-2008**

**January 30, 2008**

**Application:**

The Board issued Decision 13-2007 with respect to NTPC 2006/08 Phase 1 GRA. In this decision, the Board issued Directive 14, 15 and 45 with respect to the forecast brushing expenses. NTPC, by letter dated November 5, 2007 applied for Review and Variance ("RV") of Board Decision 13-2007. NTPC stated it was seeking to review and vary Directive 15 and 45 only. NTPC was not seeking any review of Directive 14.

**Order:**

Upon review of the information submitted by NTPC and the interveners, the Board had vacated Directive 15 and 45 but Directive 14 was varied as follows:

The Board directs the NTPC to calculate its total 06/07 and 07/08 supplies and services expenses using forecast brushing expenses of \$126,000 for 06/07 and \$129,000 for 07/08.

NTPC was also ordered to reflect the reduced revenue requirements of \$76.639 million for 2006/07 and \$81.117 million of 2007/08 when NTPC applies to the Board for the 2007/08 shortfall rider.

**DECISION 5-2008**

**February 5, 2008**

**Application:**

By letter dated December 31, 2007, the Counsel for TGC, Mr. A.O. Ackroyd, made an application to the Board for intervener costs with respect to the 2<sup>nd</sup> Refiling proceedings, the Adjustment of Rates proceedings and the RV of Decision 13-2007 proceedings. The costs consisted of consultant fees in the amount of \$4,314.20.

On January 22, 2008, NTPC provided their comments and stated that the TGC qualifies for the 100% GST rebate. NTPC recommended that the cost claim be adjusted to exclude the GST, a reduction of \$244.20.

The Board separated TGC's cost applications dealing with the different proceedings. The Board had separated the 2<sup>nd</sup> Refiling and the Adjustment of Rates proceedings from the RV Application proceeding.

For the 2<sup>nd</sup> Refiling and the Adjustment of Rates proceedings, the total cost of \$3,353.31 consisted of consultant fees of \$3,163.50 and \$189.81 in GST.

**Order:**

The Board agreed with NTPC on the GST issue and did not award any recovery of GST as part of this cost order. Accordingly, the Board awarded costs in the amount of \$3,163.50 to TGC.

**DECISION 6-2008**

**February 5, 2008**

**Application:**

By letter dated December 31, 2007, the Counsel for TGC, Mr. A.O. Ackroyd, made an application to the Board for intervener costs with respect to the 2<sup>nd</sup> Refiling proceedings, the Adjustment of Rates proceedings and the RV of Decision 13-2007 proceedings. The costs consisted of consultant fees in the amount of \$4,314.20.

On January 22, 2008, NTPC provided their comments and stated that the TGC qualifies for the 100% GST rebate. NTPC recommended that the cost claim be adjusted to exclude the GST, a reduction of \$244.20.

The Board separated TGC's cost applications dealing with the different proceedings. The Board had separated the 2<sup>nd</sup> Refiling and the Adjustment of Rates proceedings from the RV Application proceeding.

For the RV Application proceeding, the total cost of \$960.89 consisted of consultant fees of \$906.50 and \$54.39 in GST.

**Order:**

The Board agreed with NTPC on the GST issue and did not award any recovery of GST as part of this cost order. Accordingly, the Board awarded costs in the amount of \$906.50 to TGC.

**DECISION 7-2008**

**February 5, 2008**

**Application:**

By letter dated January 14, 2008, the Counsel of the Hydro Communities ("HC"), Mr. Thomas Marriott, made an application to the Board for intervener costs with respect to the 2<sup>nd</sup> Refiling proceedings and the Adjustment of Rates proceedings.

The costs consisted of legal and consultant fees and disbursements in the amount of \$2,131.38.

On January 28, 2008, NTPC provided their comments and stated that the HC qualifies for the 100% GST rebate. NTPC recommended that the cost claim be adjusted to exclude the GST, a reduction of \$113.78.

**Order:**

The Board agreed with NTPC on the GST issue and did not award any recovery of GST as part of this cost order. Accordingly, the Board awarded costs in the amount of \$2,017.60 to HC.

**DECISION 8-2008**

**February 5, 2008**

**Application:**

By letter dated January 14, 2008, the Counsel of the HC, Mr. Thomas Marriott, made an application to the Board for intervener costs with respect to the RV Application proceedings. The costs consisted of legal and consultant fees and disbursements in the amount of \$2,659.01.

On January 28, 2008, NTPC provided their comments and stated that the HC qualifies for the 100% GST rebate. NTPC recommended that the cost claim be adjusted to exclude the GST, a reduction of \$150.51.

**Order:**

The Board agreed with NTPC on the GST issue and did not award any recovery of GST as part of this cost order. Accordingly, the Board awarded costs in the amount of \$2,508.50 to HC.

**DECISION 9-2008**

**March 19, 2008**

**Application:**

On February 8, 2008, NUL YK filed its Phase 1 GRA. As part of the Phase 1 GRA, NUL YK requested Board approval for an interim refundable rate rider (Rider K) and a temporary refund/surcharge rider (Rider A).

**Order:**

After reviewing the application and information provided by NUL YK and the comments provided by the City of Yellowknife ("Yellowknife"), NUL YK was directed to recover 80% of the difference between forecast 2008 revenue at existing rates and the required 2008 revenue requirement by setting Rider K at 0.656 cents/kWh and Rider A at 1.46%



**DECISION 10-2008**

**March 19, 2008**

**Application:**

On February 8, 2008, NUL NWT filed its Phase 1 GRA. As part of the Phase 1 GRA, NUL NWT requested Board approval for an interim refundable rate rider (Rider K) and a temporary refund/surcharge rider (Rider E).

**Order:**

After reviewing the application and information provided by NUL NWT and the comments provided by the interveners, NUL NWT was directed to refile its application for interim rates for each of the communities designed to recover 80% of the difference between forecast 2008 revenue at existing rates and the required 2008 revenue requirement subject to a 15% limit on the combined impact of both riders on each individual community.

**DECISION 11-2008**

**March 20, 2008**

**Application:**

By letter dated March 13, 2008, NUL NWT filed an application to adjust the Fuel Clause Adjustment Rider (Rider A) for the communities of Dory Point/Kakisa, Fort Providence and Trout Lake.

The Board has reviewed the proposed increases to Rider A in these 3 communities. While the increases appear to be justified and required based upon the fuel cost projections, the Board was concerned about the impact of the proposed April 1<sup>st</sup> increases in Rider A combined with the proposed April 1<sup>st</sup> implementation of Rider E and Rider K.

The Board noted the 15% cap, applied to the combined impact of Interim Riders E and K as well as to the Fuel Rider A, would not allow Northland to give effect in the rates to some of the cost increases resulting from fuel price increases identified in this application. The Board recognized undue delays in giving effect to fuel cost increases in rates is likely to create intergenerational inequities.

Although current practice is for Rider A to be reevaluated and potentially adjusted every 3 months, in light of the significant combined April 1<sup>st</sup> rate increases, the Board will not consider any July 1<sup>st</sup> increases to Rider A for the communities of Dory Point/Kakisa, Fort Providence and Trout Lake.

**Order:**

The Board directed Northland to refile its application for increases to Rider A with any increases in Rider A limited by a 15% cap on April 1<sup>st</sup> rate increases taking into account the combined impact of Riders A, E and K.

The Board directed Northland to propose, in early September, further adjustments to Rider A, effective October 1, 2008, that would give effect to any under recovery of fuel cost increases by community resulting from the application of the 15% cap effective April 1, 2008. The rates effective October 1, 2008 should be subject to a maximum increase of 10% in the interest of rate stability.

**DECISION 12-2008**

**March 26, 2008**

**Application:**

In response to Board Decision 10-2008, NUL NWT, by letter dated March 20, 2008, submitted a Refiling Application with respect to the interim rate application (Rider K and E).

**Order:**

The Board reviewed the schedules and information provided by NUL NWT and approved the rate riders, effective April 1, 2008.

**DECISION 13-2008**

**March 26, 2008**

**Application:**

By letter dated March 13, 2008, NUL YK filed an application to continue the 2007 25 kV Deferral Account Rider (Rider U) at its current rate applicable to NUL YK's customers in the City of Yellowknife.

**Order:**

The Board directed NUL YK to continue to apply Rider U at the current rate of 0.8320%. The revenue collected with Rider U will be reconciled once NUL YK's final 2008 revenue requirement and rates have been determined.

**DECISION 14-2008**

**March 26, 2008**

**Application:**

In response to Board Decision 11-2008, NUL NWT, on March 25, 2008, refiled its Rider A application. The effects of the 15% rate cap on the combine impact of Riders A, E and K was that there would be no increase in Rider A for Dory Point/Kakisa and there would be smaller Rider A increases for Fort Providence and Trout Lake.

**Order:**

The Board reviewed the application and information provided by NUL NWT and approved the changes to the rate rider, effective April 1, 2008.

**DECISION 15-2008**

**April 25, 2008**

**Application:**

By letter dated April 11, 2008, NUL NWT filed an application to decrease the existing Diesel Generation Rider (Rider I) for Hay River.

**Order:**

The Board reviewed the schedules and information provided NUL NWT and approved the rate rider, effective May 1, 2008.

**DECISION 16-2008**

**May 12, 2008**

**Application:**

By letter dated March 31, 2008, NTPC submitted an application, pursuant to Decision 20-2007 and Decision 4-2008, requesting approval for the following:

- An **Adjustment to the 2006/07 and 2007/08 Revenue Requirements** for communities to reflect the revised brushing expenses in the test years 2006/07 and 2007/08.
- **Revised 2006/07 Shortfall Balance** reflecting short-term interest for the period April 1, 2007 through December 31, 2007 as well as approval to charge short-term interest to the outstanding balance of the shortfall receivable on a monthly basis.
- **Confirmation of 2007/08 Shortfall** reflecting amounts outstanding related to the 2007/08 Shortfall. The Corporation also seeks approval to charge short-term interest on the 2007/08 shortfall.

**Order:**

The Board responded to NTPC's application as follows:

1. As detailed in Schedule 1 of the application, the NTPC's method for allocating the brushing expenditure reductions amongst the communities is approved.
2. The NTPC's calculation of the 06/07 shortfall as being \$1.818 million as of December 31, 2007 is approved.
3. The NTPC will be allowed to charge interest at a rate of 2.31% on the 06/07 shortfall for the period from April 1, 2007 to December 31, 2007. For the period beyond December 31, 2007 until full collection of the 06/07 shortfall, the NTPC will be allowed to apply short-term interest to the actual outstanding receivable monthly, at a level equal to 50% of the Bank of Canada Prime Business interest rate.
4. The NTPC's calculation of the 07/08 shortfall as being \$11.856 million as of March 31, 2008 is approved.
5. The NTPC will be allowed to charge interest at a rate of 3.00% on the 07/08 shortfall on a mid-year basis for 2007/08. For the period starting

April 1, 2008 until full collection of the 07/08 shortfall, the NTPC will be allowed to apply short-term interest to the actual outstanding receivable monthly, at a level equal to 50% of the Bank of Canada Prime Business interest rate.

**DECISION 17-2008**

**May 29, 2008**

**Application:**

By letter dated May 8, 2008, the consultant for the TGC, Mr. Azad Merani, made an application to the Board for intervener costs in an amount of \$1,036.00.

NTPC, by letter dated May 27, 2008, indicated that they had no comments regarding TGC's application.

**Order:**

The Board reviewed and approved the intervener costs application, as submitted.

**DECISION 18-2008**

**June 16, 2008**

**Application:**

By letter dated April 21, 2008, NTPC applied to the Board for approval for a private placement of debenture, in an amount of \$25 million. NTPC advised that the Corporation's borrowing needs are dependent upon the extent of its upgrade and replacement capital program and its internal cash generation and do not necessarily fit into discreet fiscal year elements. Since the December 2005 debt issue the capital plan for the 2006/07 and 2007/08 fiscal years has been over \$49 million with an additional \$19 million forecast in 2008/09. NTPC will also repay its first sinking fund debenture on March 9, 2009. The \$15 million long term debt issue in December 2005 was undertaken to finance the 2004/05 and 2005/06 capital plan.

**Order:**

After reviewing the application and the responses to information requests provided in support thereof, the Board approved the issuance of the debenture in the principal amount of \$25,000,000 at a rate not to exceed a spread over the benchmark long Canada bonds of 150 basis points.

**DECISION 19-2008**

**August 15, 2008**

**Application:**

By letter dated June 27, 2008 NUL YK submitted a 2007 Deferral Account Application (Rider T) to the Board.

Northland requested disposition of the change in costs due to difference between the forecasted 2007 25 kV capital additions and the actual 2007 additions by means of an adjustment to Rider T. Northland proposed that the variance in the depreciation expense as well as income taxes resulting from changes in the CCA on these additions will be included in the Deferral Account.

**Order:**

The Board reviewed the application and the responses to information requests. The Board approved the disposal of the January 1, 2005 to December 31, 2008 total Rider T shortfall of \$158,897 through an adjustment of Rider T. Rider T will be adjusted from 0.261% to 0.876% to recover the 2005 to 2007 shortfall over a period of 12 months commencing September 1, 2008.

**DECISION 20-2008**

**September 22, 2008**

**Application:**

By letter dated September 8, 2008, NUL NWT filed an application to adjust the Fuel Clause Adjustment Rider (Rider A) for the communities of Hay River, Dory Point/Kakisa, Fort Providence and Wekweti.

**Order:**

The Board approved Rider A, effective October 1, 2008. The Board directed NUL NWT to, in early December 2008, provided the Board with an application for subsequent adjustments to Rider A, again restricted to maximum 10% rate impacts, with an effective date of January 1<sup>st</sup>, 2009. In preparing the application, NUL NWT is to provide schedules and calculations for the Rider A adjustments using the same methodology as was used in this current application.

NUL NWT was also directed to provide the Board with alternative schedules and calculations showing the rate impact, again limited to a January 1<sup>st</sup>, 2009 maximum increase of 10%, of the following procedure for each of the five NUL NWT communities:

- The January 1<sup>st</sup>, 2009 fuel fund balances for the five NUL NWT communities are to be reset to \$0 with the five December 31<sup>st</sup>, 2008 fuel fund balances transferred to a single, new collective fuel fund;
- NUL NWT is to propose a new fuel fund rider for the new collective fuel fund which will be applied equally, on a \$/kwh basis, across all of NUL NWT's communities and customer classes with the intention of retiring this balance and closing this new fuel fund by December 31<sup>st</sup>, 2010; and
- NUL NWT will include proposed adjustments to Rider A to keep up with predicted fuel costs in each of the 5 communities subject to the maximum overall rate increase of 10% on January 1<sup>st</sup>, 2009.

**DECISION 21-2008**

**October 7, 2008**

**Application:**

By letter dated August 28, 2008, the counsel for the Hamlet of Fort Providence ("**Fort Providence**"), Mr. G. Rangi Jeerakathil, made an application to the Board for intervener costs in an amount of \$56,107.82.

The Board was concerned about the significant number of preparation hours billed by the Counsel for Fort Providence. The time spent was more than double the number of preparation hours claimed by the counsel for the Town of Hay River ("**Hay River**"). The case brought by Fort Providence was no more complex or detailed than that of Hay River. If such differences persist, Fort Providence might be faced with future cost award reductions by the Board.

The Board understands that Fort Providence qualifies for GST rebates. Fort Providence will be able to claim back as an input tax credit any GST paid to the Fort Providence's Counsel and Consultant and so the Board will not include any GST amounts in any cost award.

**Order:**

The Board awarded costs in the amount of \$53,436.02 to Fort Providence.

**DECISION 22-2008**

**October 7, 2008**

**Application:**

By letter dated August 22, 2008, the counsel for Hay River, Mr. Thomas D. Marriott, made an application to the Board for intervener costs in an amount of \$49,125.63.

The Board understands that Hay River qualifies for GST rebates. Hay River will be able to claim back as an input tax credit any GST paid to the Hay River's Counsel and Consultant and so the Board will not include any GST amounts in any cost award.

**Order:**

The Board awarded costs in the amount of \$46,951.04 to Hay River.

**DECISION 23-2008**

**October 7, 2008**

**Application:**

By letter dated August 22, 2008, the counsel for Yellowknife, Mr. Thomas D. Marriott, made an application to the Board for intervener costs in an amount of \$84,722.27.

The Board understands that Yellowknife qualifies for GST rebates. Yellowknife will be able to claim back as an input tax credit any GST paid to the Yellowknife's Counsel and Consultant and so the Board will not include any GST amounts in any cost award.

**Order:**

The Board awarded costs in the amount of \$81,236.05 to Yellowknife.

**DECISION 24-2008**

**October 27, 2008**

**Application:**

By letter dated February 8, 2008, NUL YK submitted to the Board a Phase 1 GRA for the 2008/2010 test period. NUL YK requested that the Board determine NUL YK's rate base and revenue requirement for the forecast test years 2008, 2009 and 2010 and to continue utilizing 4 deferral accounts.

**Order:**

The Board, by letter dated February 15, 2008, directed NUL YK to publish notice of the public hearing of the GRA in newspapers that circulated in the NWT. Yellowknife, Ecology North ("EN") and NTPC registered their interventions.

The Board, Yellowknife, and NTPC submitted information requests, to which NUL YK responded on April 7, 2008.

The Board and Northland submitted information requests to Yellowknife in regards to its intervener evidence. Yellowknife responded to the information requests on May 20, 2008.

Due to the delay in advertising NUL YK's GRA, the Board decided to allow EN to file their information requests by April 21, 2008, to which Northland responded on April 28, 2008. Ecology North, by letter dated May 12, 2008, submitted intervener evidence. The Board and the intervener did not submit any information requests to EN's evidence.

Public Notice of the hearing was advertised and scheduled for June 18 and 19, 2008 in the City of Yellowknife. The hearing was adjourned in the City on June 19, 2008 and reopened in the Town of Hay River on June 25, 2008 to hear Yellowknife's witness, Mr. Azad Merani.

The Board, after reviewing the information provided and the testimony of witnesses, issued its decision and provided NUL YK with a number of directives. NUL YK was ordered to prepare and refile its 2008/2010 GRA to comply with the direction contained in the decision, within 30 days of the release of the Board's Phase 2 Decision.



**DECISION 25-2008**

**October 27, 2008**

**Application:**

By letter dated February 8, 2008, NUL NWT submitted to the Board a Phase 1 GRA for the 2008/2010 test period. NUL NWT requested that the Board determine NUL NWT's rate base and revenue requirement for the forecast test years 2008, 2009 and 2010 and to continue utilizing 7 deferral accounts.

**Order:**

The Board, by letter dated February 15, 2008, directed NUL NWT to publish notice of the public hearing of the GRA in newspapers that circulated in the NWT. Fort Providence, Hay River and NTPC registered their interventions. Sambaa K'e Dene Band of Trout Lake also indicated an interest in the proceeding.

The Board, Fort Providence, Hay River, and NTPC submitted information requests, to which NUL NWT responded on May 5, 2008.

Northland submitted information requests to Fort Providence in regards to its intervener evidence. Fort Providence responded to the information requests on June 12, 2008.

The Board and Northland submitted information requests to Hay River in regards to its intervener evidence. Hay River responded to the information requests on June 12, 2008.

Public Notice of the hearing was advertised and scheduled for June 25 and 26, 2008 in the Town of Hay River.

On June 19, 2008, the hearing for NUL NWT was opened in the City of Yellowknife to hear the witnesses on capital structure, rate of return equity and cost of debt. The hearing was adjourned in the City on June 19, 2008 and reopened in the Town of Hay River on June 25, 2008.

The Board, after reviewing the information provided and the testimony of witnesses, issued its decision and provided NUL NWT with a number of directives. NUL NWT was ordered to prepare and refile its 2008/2010 GRA to comply with the direction contained in the decision, within 30 days of the release of the Board's Phase 2 Decision

**Application:**

On August 15, 2008, NTPC filed its Phase 2 GRA for the fiscal year April 1, 2006 to March 31, 2007 and April 1, 2007 to March 31, 2008 to determine appropriate rates for their customers.

In its GRA, NTPC requested order or orders of the Board to:

- a) Approving as final the Corporation's interim retail, wholesale and industrial rates for 2006/07 and all previous periods.
- b) Approving as final the Corporation's proposed 2007/08 retail, wholesale and industrial energy rates. The Corporation proposes to maintain the existing customer and demand charges for all rate classes.
- c) Approving the consolidation of the 2006/07 and 2007/08 General Rate Application shortfalls after transfers from the Diesel Communities Stabilization Fund; the Inuvik Stabilization Fund; the Norman Wells Stabilization Fund and the Taltson Fuel Stabilization Fund to offset the GRA Shortfall amounts.
- d) Approving the adjusted shortfall collection riders.
- e) Approving a change in the interest rate applicable to any outstanding shortfall balances in place beyond October 1, 2009. If the interest rate change is not approved then the Corporation is seeking to recover the shortfall balances over a 12-month period.
- f) Approving automatic fuel stabilization fund and automatic water stabilization fund riders.
- g) Approving standardized dates for stabilization fund applications.
- h) Approving the Stand-by Rate proposal.
- i) Approving the revisions to the Corporation's Terms and Conditions of Service.

NTPC had developed its Phase 2 GRA using a simplified approach. NTPC had prioritized collecting outstanding balances related to the 2006/07 and 2007/08 GRA Shortfalls and the Stabilization Funds. NTPC is proposing this simplified approach to Phase 2 in consideration of the 15% cap on base rate and shortfall rider increases; to reduce regulatory and administrative costs in light of the limited ability to rebalance rates between communities and rate classes and for reasons of intergenerational equity related to collecting shortfall and stabilization fund balances relating to costs already incurred to provide service to customers. Following the implementation of these rider adjustments, there would be very little ability for NTPC to adjust base rates for most communities and rate classes. Therefore, NTPC is proposing only a very limited scope of base rate rebalancing.

**Order:**

The Board, by letter dated August 19, 2008, directed NTPC to publish notice of the public hearing of the GRA in newspapers that circulated in the NWT. The notice stated that any party already listed on the Phase 1 list will automatically be

placed on the Phase 2 list. The interested parties automatically placed on the Phase 2 list are the HC, TGC and Northland Utilities.

By letter dated August 19, 2008, the Board requested comments from NTPC and the interveners as to the required extent of the review process, including the need for an oral public hearing. In addition, the Board intends to combine the Phase 2 review with the review of NTPC's inter-affiliate code of conduct and conflict of interest guidelines (Directives 49 and 50 of Decision 13-2007).

After reviewing comments from all parties regarding the review process, the Board, by letter dated August 28, 2008, prepared a review schedule.

The Board, HC and TGC submitted information requests, to which NTPC responded on September 26, 2008.

On October 14, 2008, the Hydro Communities, the Thermal Generation Communities and NTPC filed their written argument. On October 21, 2008, HC, TGC and NTPC filed their written reply argument.

The Board received submissions from interested parties respecting the GRA through a written process. The Board directed NTPC to implement the rate changes, as approved and directed in the decision, on November 1, 2008.

The Board decided to issue a separate subsequent decision on the NTPC's proposed code of conduct.

### **DECISION 27-2008**

**October 31, 2008**

#### **Application:**

In response to Board Decision 26-2008, NTPC, by letter dated October 30, 2008, submitted a refiled application with respect to its Phase 2 GRA for the 2006/08 test years.

#### **Order:**

The Board has examined the Phase 2 refiling calculations and schedules. The Board approves the Rate Schedules as final rates, effective November 1, 2008.

### **DECISION 28-2008**

**November 12, 2008**

#### **Application:**

On April 2, 2008, NUL YK filed its Phase 2 GRA for the 2008/2010 test period to determine appropriate rates for their customers.

In its Application, NUL YK requested order or orders of the Board to:

- a) Approve the proposed 2008 Rate Adjustment Rider, Rider R;
- b) Approve 2009 base rate schedules, effective January 1, 2009 and the proposed 2010 Rate Adjustment Rider, Rider R;
- c) Approve the proposed Terms and Conditions of Service.

**Order:**

The Board, by letter dated April 15, 2008, directed NUL YK to publish notice of the public hearing of the GRA in newspapers that circulated in the NWT. The notice stated that any party already listed on the Phase 1 list will automatically be placed on the Phase 2 list. The interested parties automatically placed on the Phase 2 list are Yellowknife, Ecology North and NTPC.

The Board granted permission to NUL YK to enter into formal Settlement discussion with the intervener. NUL YK advised the Board that NUL YK had been successful in reaching a Settlement with Yellowknife with respect to all matters relating to the GRA and also addressed issues raised by Yellowknife in its evidence.

Since all issues between NUL YK and Yellowknife had been addressed as part of the Settlement and there had been no other active interveners in the proceeding, the Board had decided to cancel the hearing and proceed with a written process to examine the Settlement.

The Board set out its findings with respect to the Settlement during the written proceeding and directed NUL YK to refile its application within 30 days.

**DECISION 29-2008**

**November 12, 2008**

**Application:**

On April 2, 2008, NUL NWT filed its Phase 2 GRA for the 2008/2010 test period to determine appropriate rates for their customers.

In its Application, NUL NWT requested order or orders of the Board to:

- d) Approve the proposed 2008 Rate Adjustment Rider, Rider R;
- e) Approve 2009 base rate schedules, effective January 1, 2009 and the proposed 2010 Rate Adjustment Rider, Rider R;
- f) Approve the proposed Terms and Conditions of Service.

**Order:**

The Board, by letter dated April 15, 2008, directed NUL NWT to publish notice of the public hearing of the GRA in newspapers that circulated in the NWT. The notice stated that any party already listed on the Phase 1 list will automatically be

placed on the Phase 2 list. The interested parties automatically placed on the Phase 2 list are Hay River, Fort Providence and NTPC.

On September 23, 2008, the Board granted permission to NUL NWT to enter into formal Settlement discussion with the interveners. On September 26, 2008, NUL NWT indicated that the Settlement had been arrived as a "package deal" agreement between NUL NWT, Hay River and Fort Providence.

In a letter dated September 29, 2008, the Board stated that NUL NWT and the interveners filed a Settlement and that the Board will proceed with a written process to examine the Settlement.

By letter dated September 29, 2008, the Board directed NUL NWT to publish notice, in newspapers that circulate in the NWT, of the Settlement and the cancellation of the hearing. The notice also provided a schedule of the written process to the Settlement.

The Board set out its findings with respect to the Settlement during the written proceeding and directed NUL NWT to refile its application within 30 days.

### **DECISION 30-2008**

**November 21, 2008**

#### **Application:**

NUL YK proposed to change the name of the NTPC GRA Adjustment Rider (Rider C), to the NTPC Shortfall Rider (Rider F) to be consistent with the naming of an equivalent rider used by NUL NWT.

By letter dated November 7, 2008, NUL YK submitted an application to the Board for an order to adjust Rider F, applicable to the City of Yellowknife customers.

#### **Order:**

The Board reviewed the submissions and supporting schedules. The Board noted the application was consistent with the Board's existing procedures for adjustment of Rider F resulting from changes in the purchased power charge. The Board approved the change to Rider F, effective December 1, 2008.

**DECISION 31-2008**

**November 21, 2008**

**Application:**

By letter dated November 7, 2008, NUL NWT submitted an application to the Board for an order to adjust Rider F, applicable to the Hay River rate zone.

**Order:**

The Board reviewed the submissions and supporting schedules. The Board noted the application was consistent with the Board's existing procedures for adjustment of Rider F resulting from changes in the purchased power charge. The Board approved the change to Rider F, effective December 1, 2008.

**DECISION 32-2008**

**November 28, 2008**

By letter dated October 24, 2008, the counsel for Fort Providence, Mr. G. Rangi Jeerakathil, made an application to the Board for intervener costs in an amount of \$17,873.53.

The Board understands that Fort Providence qualifies for GST rebates. Fort Providence will be able to claim back as an input tax credit any GST paid to the Fort Providence's Counsel and Consultant and so the Board will not include any GST amounts in any cost award.

**Order:**

The Board awarded costs in the amount of \$17,022.40 to Fort Providence.

**DECISION 33-2008**

**December 17, 2008**

By letter dated November 22, 2008, the consultant for TGC, Mr. Azad Merani, made an application to the Board for intervener costs in an amount of \$10,300.00.

NTPC, by letter dated December 8, 2008, indicated that they had no comments regarding TGC's application.

**Order:**

The Board reviewed and approved the intervener costs application, as submitted.



