

# ANNUAL REPORT

## 2020-21



NORTHWEST TERRITORIES  
**HYDRO**  
CORPORATION

*Power for Generations*



NORTHWEST TERRITORIES  
**POWER**  
CORPORATION

*Empowering Communities*

# In Memorium

The passing of Michael Paul Chinna, Apprentice Power Systems Electrician on March 14, 2021, following a serious injury at the Jackfish Generating Facility, was a tragedy for all who knew him, including his family, friends and co-workers.



Michael was born April 5, 1981 and spent most of his childhood in Fort Good Hope. However, before going to high school in Inuvik he spent time in Edmonton, Camrose, Aklavik and every summer in Ireland.

Michael was the only boy of the family and his passing has been a terrible loss and sorrow. His sister Cathy lives in Yellowknife and was his best friend; his sister Jill has a daughter Michael

adored, and his sister Nancy has a cat he hated (he had very bad asthma)! He had a great sense of humor and played with his niece as though he too was a four-year old; he loved amusement parks and water slides. His Mom will always miss his daily phone call made when he was in the McDonalds line up for his supper. He was always giving her the latest on world affairs, COVID and trying to make her wise to the world of investments.

Michael worked with Esso in Norman Wells for many years. He really enjoyed his time there; he loved being out in the mountains skidooring, quadding, and camping with his family and friends. These friends were his for life and when he left Norman Wells he kept in touch with them. He was ambitious and this led to his decision to join NTPC in Yellowknife. His passing has been difficult for all his co-workers.

Michael was dedicated to continuously educating himself, having achieved a diploma in Electrical Tech and was nearing completion of his First-Class Power Engineering and Power System Electrician Certificate. He was committed to working safely and was very conscientious about the use of proper personal protective equipment.

The 2020-21 Annual Report is dedicated to his memory.

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# NTPC Mission, Vision and Values



## Mission

To generate, transmit and distribute clean, reliable and affordable energy to the Northwest Territories

## Vision

To enrich the lives of Northerners by providing power that encourages living, working and investing in the NWT

## 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





# Introduction

Two unexpected issues had a significant impact on NTPC operations in 2020-21: the COVID-19 pandemic and a ransomware (cyber) attack on information technology systems.

The COVID-19 pandemic began as the previous fiscal year came to an end but the main impact was not felt until fiscal 2020-21. Public health restrictions related to the pandemic had a real and measurable impact on both financial and operating performance as well as in other areas such as customer service and project engineering.

As part of its initial response to declaration of a public health emergency in the Northwest Territories (NWT), most NTPC employees were working from home by March 20, 2020. Most returned to their normal workplaces for at least one day a week by the beginning of August.

As part of a broader government response to the financial challenges facing many

customers as the pandemic began, NTPC placed a moratorium on all collection activities in early March and did not resume those activities until November 2020.

In response to concerns about the potential spread of COVID-19, NTPC developed a series of Safe Work Practices to ensure that its employees could safely enter remote communities and complete necessary work on electricity systems while minimizing the risk to local residents. The approach taken by NTPC to keep communities safe was adopted by a number of other utilities across Canada.

While productivity lagged immediately after employees began working from home in March, the Corporation was operating close to normal within

a couple of weeks and this continued throughout April 2020. A ransomware attack on NTPC brought this initial phase to an end on April 30.

The ransomware attack required the Corporation to shut down most of its information technology systems while the impact of the attack was assessed. The attack did not impede NTPC's ability to deliver reliable electricity to its customers but it did have a short-term impact on the Corporation's ability to complete basic functions such as payment of vendor invoices, project planning and engineering and data collection.

Cyber security experts were retained to investigate what happened, determine how to safely restore programs and to



enhance security on information technology systems. The investigation found no evidence that any private or confidential information was accessed as a result of the attack. NTPC is just one of the organizations that has been targeted by malicious computer hackers over the past several years.

The ransomware attack compounded the challenge that COVID-19 was already presenting as it occurred just over a month after most employees began working from home.

When employees returned to their offices in August, public health restrictions related to building occupancy required NTPC to stagger the days on

which some Hay River employees worked in the office in order to keep the number of people in the building below the maximum of 25 per floor. Offices in other communities did not face a similar occupancy challenge. The employee schedule continued to require juggling in Hay River for the remainder of the fiscal year.

One of the most significant impacts that the pandemic has had on NTPC relates to capital projects. The Corporation has an ambitious capital program over the next several years, with projects such as refurbishment of hydro units, new plants in remote communities and new transmission lines either underway or expected to begin in the near future. These projects

are required to ensure continued reliability of the electricity system in the NWT and to reduce greenhouse gas emissions.

As the result of travel restrictions as well as the availability of qualified contractors, some original project schedules have changed considerably. NTPC has been adjusting its short and long-term capital plans as required.

The impact of COVID-19 will continue to be felt at NTPC throughout 2021-22, although it is expected to decrease as vaccination rates increase and public health restrictions are relaxed or lifted.



*Work on refurbishment of Snare Forks Unit 1 continued in 2020-21*

# Corporate Profile

NTPC was established in 1988 and is the leading electricity supplier in the Northwest Territories. Our mission is to generate, transmit and distribute clean, reliable and affordable energy to the NWT and its people.

NTPC's team is made up of over 200 dedicated employees, located in 26 communities throughout the territory. We manage more than \$430 million in assets including: three hydroelectric systems, 26 diesel plants, five solar arrays, one battery storage system, and one natural gas plant. Together these provide a total generating capacity of 133 MW.

NTPC generates power for more than 43,000 residents, located across the Territory's 1.2 million square kilometers. This power is delivered to our customers through 565 kilometers of transmission lines and 375 kilometers of distribution lines stretched between 9,790 power poles.

NTPC is a subsidiary of the Northwest Territories Power Corporation (NT Hydro), which is a Crown Corporation. The Government of the Northwest Territories is its sole shareholder.



# Minister's Message

The past year has been a difficult time for all residents of the Northwest Territories (NWT) as we adjusted to the reality of a world-wide pandemic.

The situation for Northwest Territories Power Corporation (NTPC) and its employees were further challenged in April 2020 following a ransomware attack that impacted many of its information technology systems. Despite the challenges posed by the pandemic and the ransomware attack, employees maintained their focus on keeping the lights on for residents across the NWT.

At the beginning of the pandemic, the Government of the Northwest Territories (GNWT) introduced a number of economic relief measures to help citizens weather the unprecedented situation. As part of that effort, NTPC suspended all collection activities, including the use of limiting devices and disconnections, for seven months. When collection

activities resumed in October 2020, NTPC worked with customers to help them develop payment plans if they were having difficulty paying their power bill.

In February 2021, I highlighted the impact that aging electricity infrastructure is having on the reliability of our power systems. A number of key NTPC assets are facing the end of their design life and require significant investment to replace or refurbish. As a result, NTPC has developed an ambitious capital program over the next several years.

The unexpected costs and lower revenue facing the GNWT as a result of the pandemic will require careful review of all major expenditures by the government, its agencies and Crown Corporations until the overall

economic situation improves. As a result, some of NTPC's capital projects will be deferred for a year or two provided that a delay does not pose a risk to reliability. The government remains committed to moving forward on projects that will contribute to achievement of the greenhouse gas reduction targets outlined in the 2030 Energy Strategy. We also remain committed to keeping electricity rates as low as possible and will be taking steps to achieve this goal in the coming years.

*Honourable* **Diane Archie**  
Minister Responsible for the Northwest Territories Hydro Corporation and the Minister Responsible for the Northwest Territories Power Corporation



A new generator was installed in Deline, replacing an aging unit and increasing reliability and fuel efficiency.

# Board of Directors

**CHAIR:**

*Steve Loutitt*

**VICE-CHAIR:**

*Martin Goldney*

**DIRECTORS:**

*Sylvia Haener*

*Sandy Kalgutkar*

*Rita Mueller*

*Pamela Strand*

*Erin Kelly*

**CORPORATE SECRETARY:**

*Trish McFaull*



# Year in Review

2020-21 was a challenging year for NTPC, as it was for most companies. The pandemic required us to significantly alter our plans and the way we operate.

Initiatives we thought we could start, continue or complete had to be deferred and our focus narrowed significantly – we had to focus on the now and not as much on the future. Work on the Strategic Plan, for example, came to a halt although progress was made on some of its initiatives and strategic objectives.

The ransomware attack that we experienced at the end of April further complicated things but NTPC employees showed tremendous resiliency throughout this period. Our team maintained its commitment to providing safe and reliable electricity to customers throughout the NWT while dealing with unusual work conditions and information technology challenges.

In spite of the difficult circumstances, NTPC employees are proud of the work that was completed in every division of the company. We experienced

significant changes to our senior leadership team with new people filling the roles of the Chief Financial Officer, Chief Operating Officer, Chief Projects and Engineering Officer, Director, Transmission and Distribution, Corporate Secretary and Director, NT Energy.

## OPERATIONS

A new position, Chief Operating Officer, was created in 2020-21 to oversee the Hydro and Thermal Operations Divisions as well as a new Transmission and Distribution Division.

Following the declaration of a pandemic, NTPC sought to balance the risk COVID-19 posed to employees and the communities NTPC serves against the risk of loss of electrical service. To achieve this balance, NTPC took measures to protect employees and the public appropriate to the threat, while in parallel maintaining and/

or restoring as many normal business functions as possible. These measures remained in place until public health restrictions were relaxed by the Chief Public Health Officer in the summer of 2021.

- A complete set of “Safe Work Practices” (SWPs) was put in place to provide a safe work environment for employees and contractors.
- NTPC’s Safe Work Practices for working in small communities were shared with community leaders and positively received, which allowed NTPC to continue to provide reliable service and respond to emergencies as needed.
- NTPC’s Safe Work Practice for working in remote communities were also shared with the NWT Emergency Management Office and the Canadian





Electricity Association (CEA) through its Access to Remote Communities Committee. The reaction from all audiences to this protocol has been positive and was used as the template for many other Safe Work Practices developed during the Pandemic.

- “Return to Work” plans for offices and plants were developed and used to guide a safe and orderly return of employees to their offices and worksites in line with the GNWT Emerging Wisely Plan.
- NTPC developed procedures to bring contractors into the territory to complete critical capital

and operating projects. Health and Safety protocols were developed as necessary for this environment.

- The Corporation streamlined recruitment activities and developed the necessary protocols to function effectively during the pandemic. This is an important step as NTPC remains understaffed in many key areas.

## HYDRO

The biggest success in the Hydro Division occurred in October 2020 when the Snare Forks Unit 1 hydro unit returned to partial service following a comprehensive refurbishment that was partially funded by the Government of Canada. The unit was taken out of service in October 2018 due to a significant mechanical failure. Additional work in the summer of 2021 by the contractor is required before the project is considered complete.

Once NTPC established SWP protocols, there were a number of major maintenance projects completed:

- A maintenance shutdown at Taltson and a pre-feasibility assessment was completed during the month of August. This work was completed by NTPC staff and contractors;
- Maintenance shutdowns at Snare Rapids and Snare Cascades were completed in the fall by NTPC staff.

NTPC experienced three unexpected shutdowns at hydro facilities in the North Slave region as a result of aging infrastructure. The Snare Falls Hydro Unit was shut down in May 2020 following the discovery of an oil sheen near the facility. The source of the leak from the hydro plant was located and repaired and the unit was returned to service later that month. A different leak developed in December 2020, which required the shutdown of Snare Falls for approximately two weeks until the asset was repaired and returned to service. In early February, a mechanical failure at the Snare Rapids Hydro Unit resulted in the unit being offline for approximately five weeks while repairs were made.

Record high water levels were measured in a number of lakes, rivers and streams across the NWT

in 2020-21. At Snare, the higher than average water levels reduced the diesel fuel consumption required to support planned and unplanned hydro outages.







*The first B-train delivery of LNG to Inuvik occurred in 2020-21*

## **THERMAL**

NTPC successfully completed a number of diesel engine overhauls during 2020-21, including units in Paulatuk, Aklavik, Tuktoyaktuk, Sachs Harbour, Fort McPherson and Ulukhaktok.

NTPC has been working with the Fuel Services Division of the Department of Infrastructure to diversify the supply of liquified natural gas (LNG) for electricity generation in Inuvik. Over the past year, consistent and reliable LNG supply has allowed NTPC to significantly reduce the use of diesel and therefore reduce greenhouse gas emissions.

In July 2020, the first B-train delivery of LNG arrived in the NWT. A B-train consists of two or more trailers or semi-trailers hauled by a truck rather than the standard one truck, one trailer arrangement.

Use of B-trains allows for larger volumes of LNG to be delivered per shipment and for the trucking company to reduce diesel consumption and GHG emissions during transportation.

NTPC signed a Power Purchase Agreement with the Nihat Energy Ltd. associated with a solar array in Aklavik. The addition of new intermittent renewable generation to the solar array already present in the community will provide an opportunity to test whether system reliability can be maintained by the variable speed generator with high-penetration solar. Traditional generators do not adjust well to the intermittent nature of large-scale renewables. The new solar array is expected to come online in 2021-22.





*Keeping vegetation away from transmission and distribution lines helps to reduce the frequency of outages*

## **TRANSMISSION AND DISTRIBUTION**

The Transmission and Distribution Division (T & D) was re-established in 2020-21 to focus more attention on the infrastructure that delivers power from generation source to customers. Key responsibilities of the T & D Division include transmission and distribution line construction, replacement and maintenance and brushing (clearing of vegetation).

A distribution line was built to provide power to a new work camp at the Taltson Hydroelectric Facility. The camp is required to accommodate additional workers to refurbish the facility over the next couple of years.

Significant brushing was completed in Fort Smith, around the Giant Mine in Yellowknife, at Frank's Channel and along the Snare River. Line crews also replaced a number of power poles that had been identified as being in poor condition.

Powerline technicians from the T & D Division supported implementation of the Intelligent Meter Hub (IMH) project over the past five years. The replacement portion of this project concluded in 2020-21. All communities currently served by NTPC now have IMHs (smart meters) installed. IMHs are a significant technological leap forward from the old meters as they improve safety and reliability through faster and precise outage notification and reduce damage caused by illegal electricity diversions. They also enhance customer service by reporting electricity use accurately, eliminating estimated bills, simplifying the process of opening and closing an account when moving, and reducing the need for onsite visits by field crews. IMHs support greater customer choice and control by offering optional in-home feedback tools that provide direct and timely information to customers about their electricity consumption.

## **FINANCE**

The Finance Division was arguably impacted by the ransomware attack more than any other part of the company. Completion of the 2019-20 financial statements was delayed by several months due to challenges with accessing all of the required data and records.

Despite this, two key Finance initiatives moved forward in 2020-21.

1. An electronic workflow for finance processes was implemented, reducing costs associated with shipping, storage and scanning of paper-based records.
2. An Enterprise Risk Management framework was developed, which identified and ranked key corporate risks. This helps NTPC identify the areas on which it should focus in order to meet its corporate mission.

Progress on completing the transfer of the Hay River electricity distribution franchise to NTPC also continued in 2020-21 and we anticipate that action will accelerate during the current fiscal year. The Town of Hay River and NTPC remain committed to concluding this matter as soon as possible, which will lead to lower electricity rates for local customers.

## **PROJECTS AND ENGINEERING**

NTPC has adopted an industry standard project delivery process to provide better and more accurate identification of project scope, scheduling and costs. NTPC's "Project Implementation Framework" is a staged approach to project implementation with pre-defined deliverables in each of the six project stages:

1. Concept
2. Scoping
3. Pre-feasibility
4. Feasibility
5. Detailed design
6. Implementation.

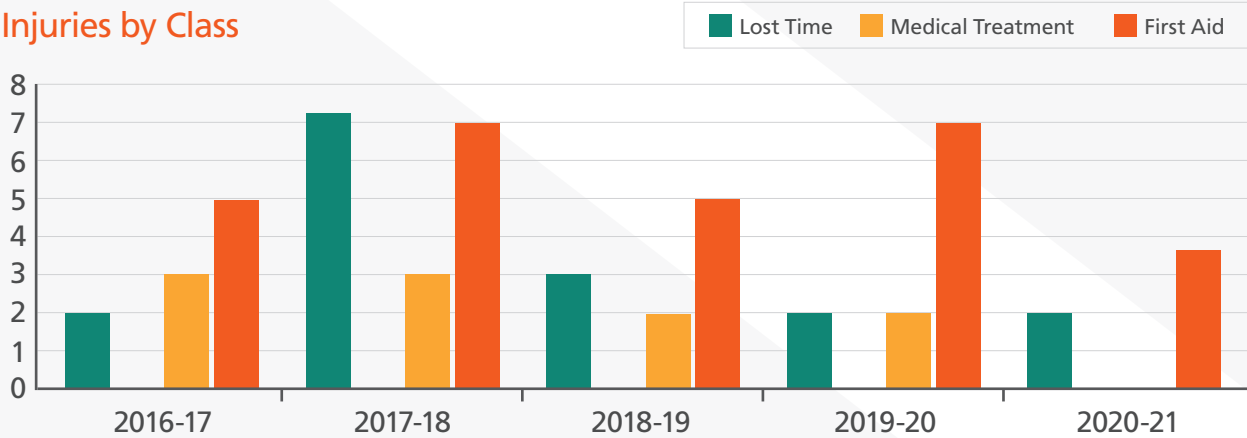
The process is scalable to suit the size and complexity of individual projects. In 2020-2021, NTPC was able to implement approximately 70% of this process. The goal is to implement 100% of the process in 2021-2022.

# Safety and Environment

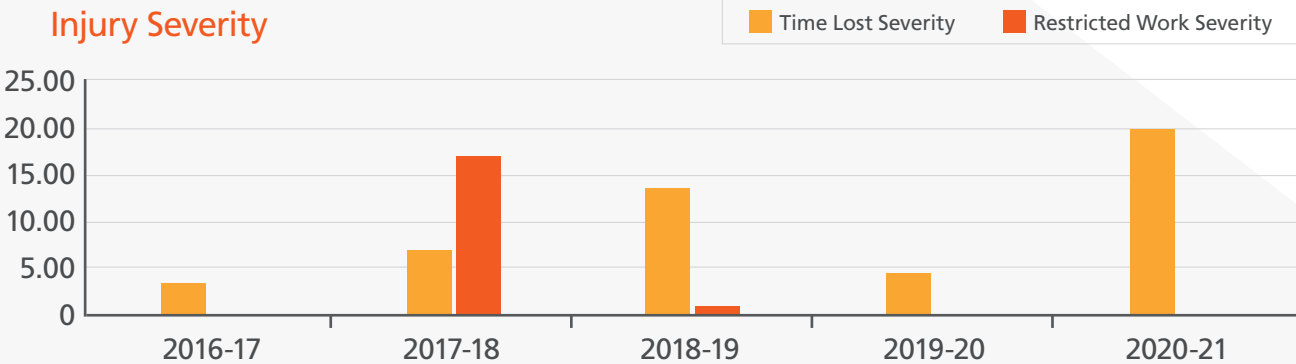
The health and safety of employees and the public and respect for the environment are among the highest priorities of NTPC.

NTPC tracks its health and safety performance in a number of different ways. The graphs below are just two of the parameters which the Corporation measures on an annual basis.

### Injuries by Class



### Injury Severity



Regulatory licences and compliance with those licences is a significant area of focus every year. In 2020-21, NTPC made progress on advancing several regulatory initiatives, including:

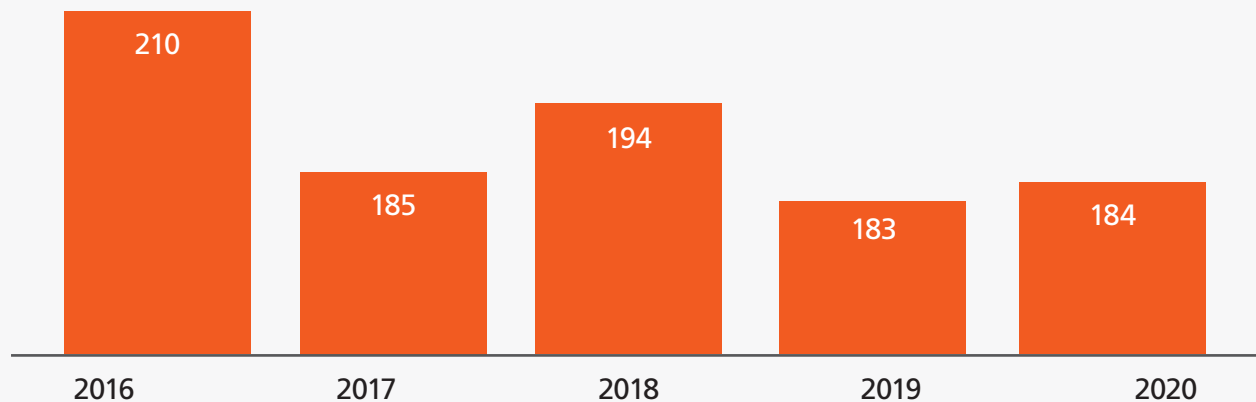
- A new Water Licence for Power, Bluefish Lake (MV2020L4-0005) was issued by the Mackenzie Valley Land and Water Board for a term of 25 years, effective April 3, 2021 and expiring April 2, 2046

- The Department of Fisheries and Oceans issued a Fisheries Act Authorization for the Taltson Hydroelectric Facility in summer 2020

Additionally, the Corporation developed a number of Covid-19 Safe Work Practices at the beginning of the pandemic to allow workers to continue to safely provide service to its customers in all communities and to allow employees to return to the office safely following the initial period of working from home.

NTPC is committed to reducing its greenhouse gas emissions, primarily by using less diesel to generate electricity. This data is tracked annually, using the calendar year rather than the fiscal year. The graph below illustrates our performance over the past five years.

### Greenhouse Gas Emissions (tCO2e) Per GWh of Generation





# Customer Service

## NET METERING PROGRAM

The Net Metering program has proven very popular since it was first introduced in 2014. The program is open to electricity customers who install solar panels on their property that does not exceed 15 kilowatts. Net Metering allows customers to accumulate energy credits monthly for any excess electricity

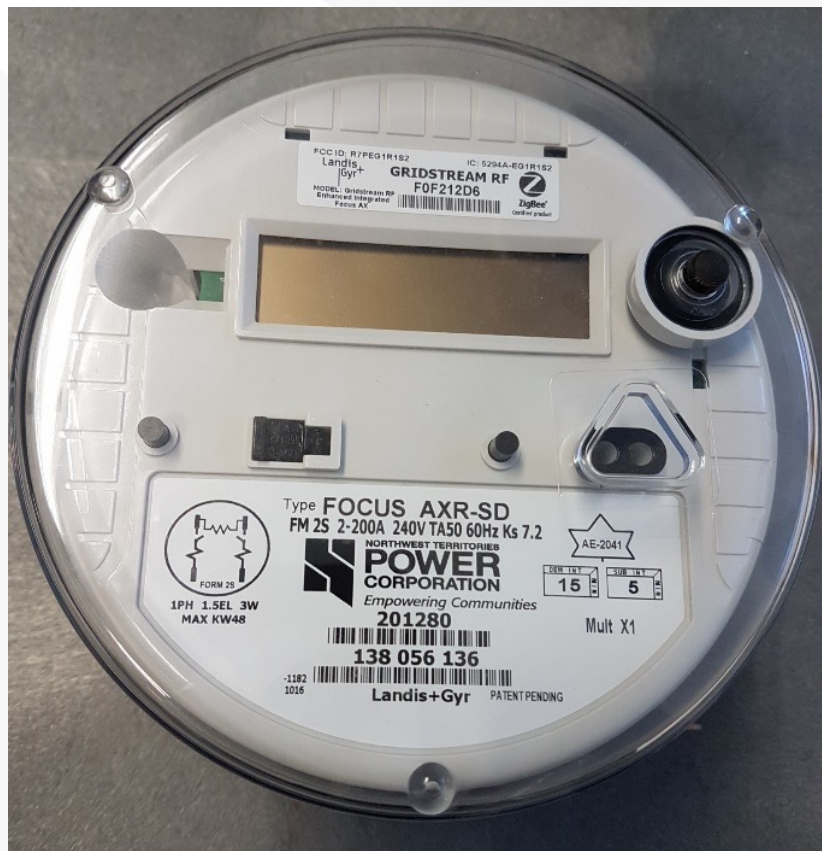
they produce to be used against those months when their usage exceeds their production. Currently, the amount of generation capacity is restricted to 20% of the average load in each eligible community in order to ensure the reliability of the local electricity system.

As of March 31, 2021, there were a total of 70 approved and installed solar locations registered with the Net Metering Program with a total installed capacity of 562 kilowatts. Net metering customers supplied 191 megawatt hours in 2020-21, compared to 30 megawatt hours just two years ago.

## INTELLIGENT METER HUBS

In 2020-21, NTPC installed smart meters (Intelligent Meter Hubs or IMHs) in the seven communities that had not previously received this service. The final stage of the project will be completed in 2021-22, which includes the integration of the metering system, the billing system and the graphical information system.

Once fully integrated, customers will have access to current account consumption information allowing them to better manage their energy use. NTPC will receive real time distribution monitoring information, supporting a faster response to localized outages and providing targeted information about where preventative maintenance is needed.



# Reliability

As has been the case for many years, the average electricity customer in the NWT experienced a higher frequency of outages in 2020 than the average Canadian customer. However, the total length of time without power experienced by the average NTPC customer is significantly lower than what the average Canadian customer faces.

Average number of outages per NTPC customer:	<b>7.96</b>
Average number of outages across Canada per customer:	<b>2.38</b>
Average length of outage per NTPC customer:	<b>28 minutes</b>
Average length of outages across Canada per customer:	<b>2 hours and 25 minutes</b>
Total length of outages per NTPC customer:	<b>3 hours and 44 minutes</b>
Total length of outages across Canada per customer:	<b>5 hours and 20 minutes</b>

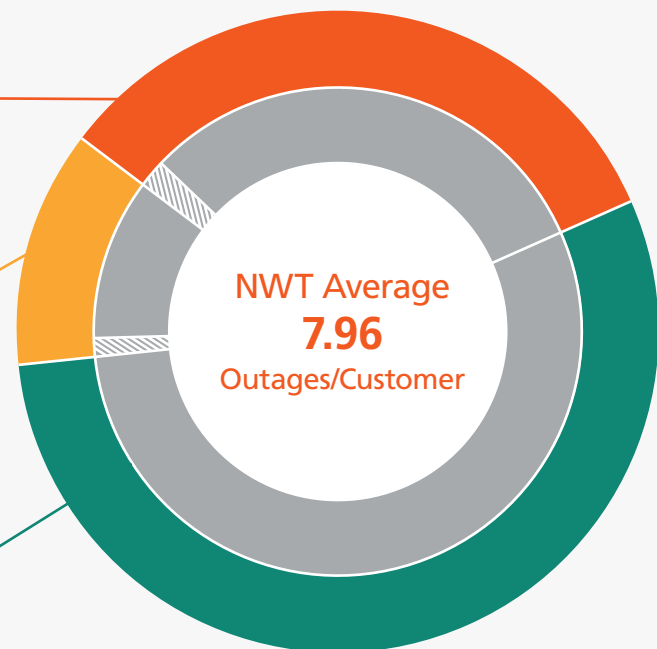
## Source of Outages:

Planned  Unplanned 

Generation 33%

Distribution 12%

Transmission 55%



*\*Data above does not include Hay River electricity customers as NTPC does not currently provide backup power in that community*

# Empowering Communities

NTPC is proud to support organizations and events that enrich the lives of our customers in the communities we serve. Our community investment program focuses on four broad areas:

1. Education
2. Health and Wellness
3. Community
4. Environment

Our donations primarily focus on youth activities to help encourage development of a strong and well-rounded northern workforce and to support cultural and community development. However, we encourage non-profit organizations from all across the NWT to apply for funding through our program,

whether they are primarily focused on youth or not. All applications that meet the criteria of the Community Investment Policy will be reviewed and considered for support.

In 2020-21, the number of applications to the community investment program and the

dollars invested was considerably lower than normal, primarily due to the cancellation of many community events and festivals. The situation is expected to change in 2021-22 as public health restrictions are relaxed and public gatherings resume.



# Financial Results

## MANAGEMENT DISCUSSION AND ANALYSIS

The following is a discussion of the consolidated financial condition and results of the operations of the Northwest Territories Hydro Corporation (NT Hydro) and of the Northwest Territories Power Corporation (NTPC) for the year ended March 31, 2021.

It should be read in conjunction with the audited consolidated financial statements and accompanying notes.

The enclosed 2020-21 financial statements adhere to Public Sector Accounting Standards (PSAS). All financial information is expressed in Canadian dollars.

Management assumes full responsibility for the information provided in this Discussion and Analysis and confirms that appropriate information systems, procedures and controls are in place to ensure that the information provided is complete and reliable.

This report contains forward-looking statements, including statements regarding the business and anticipated financial

performance of the Corporations. These statements are subject to a number of risks and uncertainties that may cause actual results to differ from those contemplated in the forward-looking statements.

### 100% Northern Owned

NTPC has been proud to be a territorial owned provider of power to the second largest jurisdiction in Canada since May 5, 1988, when the Government of the Northwest Territories (GNWT/Shareholder) acquired NTPC as a Crown Corporation.

Either through direct distribution of power or wholesaling power to a third party, NTPC serves most of the communities in the NWT. NTPC manages and maintains a system of generation, transmission and distribution assets over a territory-wide service area that includes communities that are only accessible by air, river barge or winter roads.

In 2007, GNWT passed the Northwest Territories Hydro Corporation Act, creating NT Hydro. As a result, NT Hydro owns 100% of NTPC, which is

also a public agency established under the Northwest Territories Power Corporation Act. In addition to NTPC, NT Hydro owns 100% of the NWT Energy Corporation (03) Ltd. (NT Energy).

NT Hydro's main operations in 2020-21 were carried out by NTPC. NTPC is focused on the core business of providing reliable electricity services through generation of power by hydroelectric, diesel, natural gas and solar power generation facilities, as well as transmitting and distributing this power to customers in an environment regulated by the Northwest Territories Public Utilities Board (PUB).

NT Energy is a non-regulated subsidiary which is used to complete higher risk projects than those completed within NTPC. NT Energy's core focus is on growth targets in NTPC's Strategic Plan, specifically planning and developing safe and environmentally responsible energy projects to serve existing and new energy requirements in the Territories.

## A Year of Recovery

The 2020-21 fiscal year can be characterized as a year of adaptation and recovery. The global COVID-19 pandemic and a ransomware attack early in 2020-21 significantly impacted the operating environment as NTPC adapted as required to ensure delivery of its core services in a safe, reliable and efficient manner through the use of Safe Work Practices and strengthening of NTPC's information and operational technology systems.

## COVID-19 Pandemic

On Friday, March 13, 2020 NTPC declared a Level 2 Emergency Pandemic. This declaration was based on guidelines contained in NTPC's Pandemic Emergency Preparedness Plan after the World Health Organization declared that COVID-19 had become a world-wide pandemic. NTPC moved to a Level 3 Pandemic Emergency (which is the Corporation's highest level) on March 18, 2020 as a result of the GNWT's declaration of a Territorial Health Emergency. The Corporation has been operating under a level 3 Pandemic Emergency since that time. Under Pandemic Emergency status, the two prime focus areas for NTPC are:

- Safety of our team members;
- Reliable service for all customers & communities.

The Corporation took several steps in March 2020 to limit the risk of infection to staff and the communities it serves while maintaining a high level of service for customers in the pandemic's initial stages. Significant measures included: cancelling business travel except for emergency and required maintenance, closing offices and requiring non-essential staff to work from home, dividing work crews where possible to limit interaction between critical workers and, stopping all but essential capital and operating projects temporarily to allow Safe Work Practices to be developed. Protocols and Safe Work Practices were subsequently developed to ensure that staff could safely respond to emergency situations and perform maintenance in remote communities.

With the easing of public health restrictions through the roll out of the GNWT's Emerging Wisely Plan in May 2020, NTPC's response balances the risk COVID-19 brings to employees and the communities NTPC serves against the risk of loss of electrical service.

To achieve this balance, NTPC has taken measures to protect employees and the public appropriate to the risk, while in parallel maintaining and/or restoring as many normal business functions as possible.

A number of projects scheduled for completion in 2019-20 had to be put on hold in March 2020 as a

result of the national and territorial response to the pandemic. During this time, NTPC developed Safe Work Practices to enable the resumption of operations and capital projects in June 2020 under the GNWT's Emerging Wisely Plan. Capital projects that could be completed with NWT businesses or required only design-level work represents the majority of capital projects moving forward in 2020-21. As a result, NT Hydro's capital budget was reduced by 53%.

## Ransomware Attack

The challenge of operating under the new COVID-19 protocols was compounded by a ransomware attack on NTPC at the end of April 2020. As a result of the attack, the Corporation was unable to process bills for two months. By the end of August 2020, the majority of NTPC's systems were restored to full function following best practices for improved security features and protocols. This attack created delays in planning and approving capital projects as well as accessing drawings required to initiate design work. NTPC's information technology systems were restored which supported the late resumption of some of NTPC's 2020-21 capital plan. NTPC continues to strengthen and improve the information technology and operational technology systems to ensure safe and reliable power to customers.





*Helicopters are sometimes required to inspect transmission and distribution lines*

## 2020-21 Financial Results

The majority of NT Hydro's operating results come from NTPC's operations. NT Energy's activities consist mostly of capital work in progress related to the Inuvik High Point Wind project.

The cost to support the administrative office for NT Energy

as well as costs associated with scope and pre-feasibility work for projects for which applications to the Federal Government's Investing in Canada Infrastructure Program (ICIP) are being prepared can be found in the Statement of Operations under Corporate Services.

The COVID-19 pandemic and ransomware attack had impacts to NTPC's 2020-21 financial results which are reflected in the revenues, operating costs and capital performance indicators reviewed below:

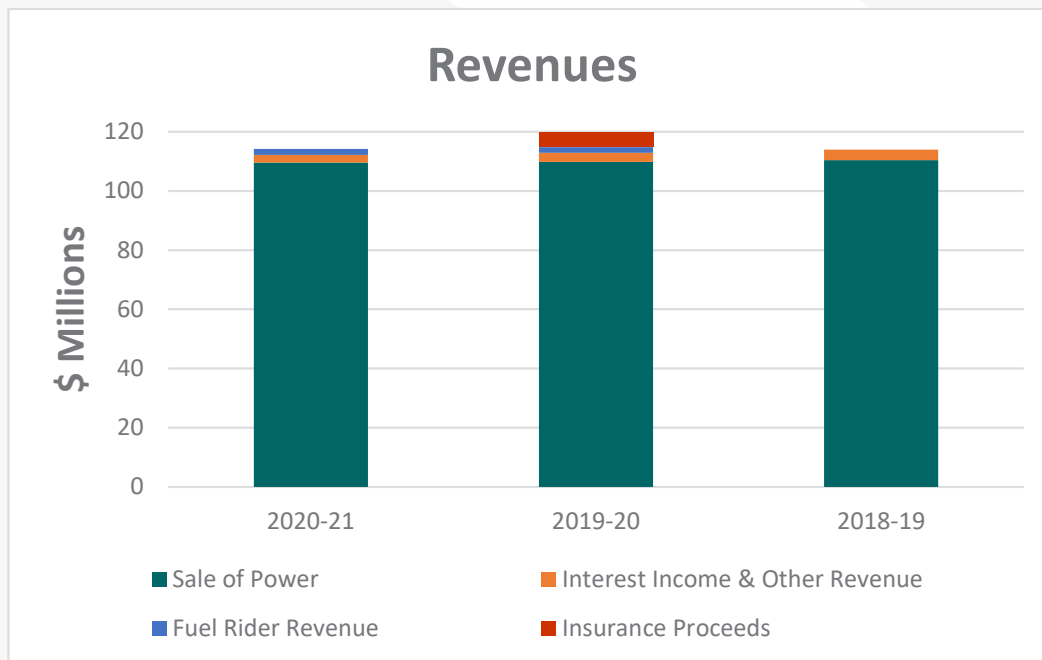


## Revenues

NTPC Performance Indicator	2020-21 Results	2019-20 Results	2018-19 Results
Revenues: Current Year vs Prior Year	95%	105%	104%
Revenues: Actual vs Budget	98%	98%	100%

The 2016/19 General Rate Application (GRA) was NTPC's last GRA and the last rate rider was approved on May 1, 2019. NTPC's 2020-21 operating revenues decreased 5% over the prior year as a result of \$5 million in insurance proceeds in 2019-20 as an interim insurance payment for the restoration of the Snare Forks Unit 1 hydro generating station. Sales of power revenue is consistent with the previous year.

As customers worked from home and businesses were operating at reduced hours, residential sales were higher than budget and general service sales (commercial) were lower than budget. This had the same impact on wholesale sales for the communities of Yellowknife and Hay River and overall wholesale sales were lower than budget. The 2% reduction in revenue from budget was a result of insurance proceeds that were not received in 2020-21 as NTPC continues to review the insurance claim for the work undertaken to repair Snare Forks Unit 1.

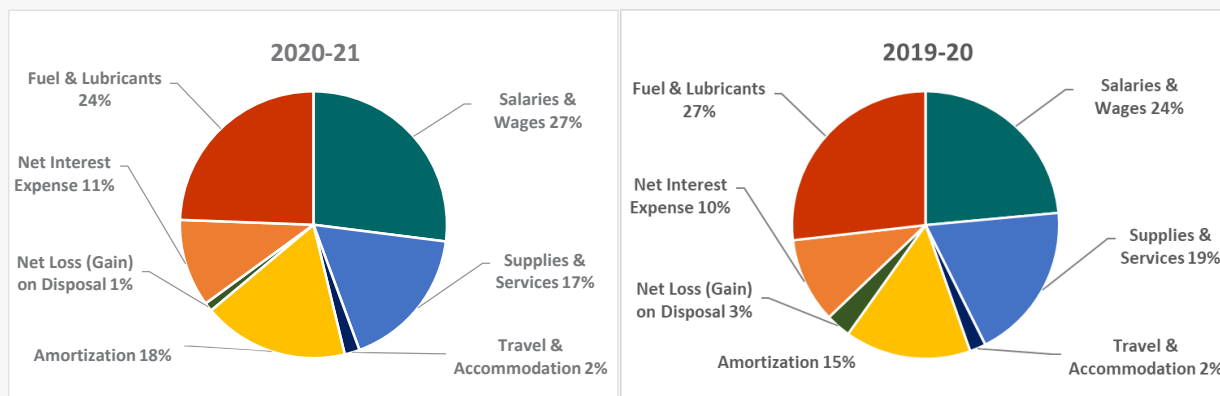


## Expenses

NTPC Performance Indicator	2020-21 Results	2019-20 Results	2018-19 Results
Operating Expenses: Current Year vs Prior Year	97%	100%	112%
Operating Expenses: Actual vs Budget	95%	103%	100%

Expenses for 2020-21 are lower than the prior year and budget, primarily as a result of lower fuel prices, the loss on disposal of assets, and projects being deferred or changes in scope due to COVID-19 and the ransomware attack. Site remediation projects were also impacted during the year as the estimated cost to relocate the contaminated soil in Aklavik was reduced to \$2.03M from \$4.03M. The work for this project is expected to be completed in the summer of 2021.

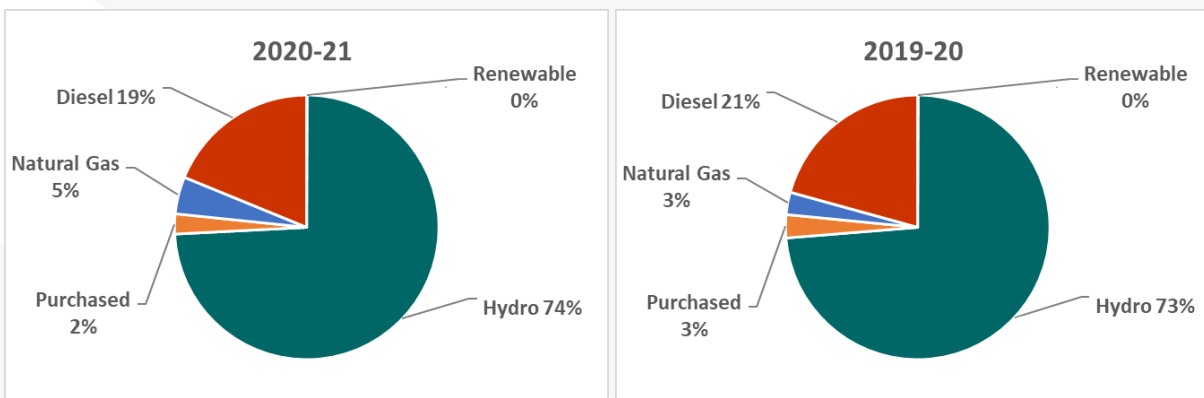
The changes for these projects are reflected primarily in supplies and services and travel expenses. These variances were offset by higher salaries and wages compared to budget and the prior year as employees recorded more time to operations and maintenance expense as capital projects could not be completed due to COVID-19.



## Generation by Source

Hydro generation remains NTPC's largest generation source, and 2020-21 hydro output was similar to the prior year. Fuel costs decreased over the prior year and budget due to lower fuel prices, but also in part to changes in the remaining generation mix. Diesel generation saw a significant decrease as natural gas in Inuvik increased from 31% of annual generation in 2019-20 to 55% in 2020-21. Purchased power was also slightly

lower than the prior year due to Imperial Oil Limited in Norman Wells being offline for two months.



## Performance Indicators and Financing

NTPC Performance Indicator	2020-21 Results	2019-20 Results	2018-19 Results
Net Income as % Total Revenues	16%	12%	1%
Net Income as % Total Assets	4%	3%	0%
Debt to Equity	64:36	66:34	67:33
Expenditures: Capital to Operating	30:70	28:72	25:75

Net income as a percentage of total revenues and total assets increased over the prior year as a result of stable revenues and lower expenses with an increase in government contributions.

In 2020-21 short-term debt was converted to long-term debt and accounts payable and accrued liabilities decreased to \$20 million from \$28 million. The accumulated surplus (equity) increased to \$158 million due to surplus from operations and government contributions. This resulted in a lower debt to equity ratio than the previous year.

NTPC's capital to operating ratio increased over the prior year. This is a result of an increase in capital expenditures and lower operating expenditures compared to 2019-20. NTPC expects this ratio to continue to rise as plans to replace aging infrastructure continues.



## LOOK AHEAD

### COVID-19

COVID-19 will continue to have an impact on operations as NTPC adjusts to the new normal. To ensure the safety of employees and customers, NTPC will continue to follow the lead of the Chief Public Health Officer as the NWT emerges from the pandemic over the coming months.

### Climate Change and Water Levels

Water levels in the north rose during the 2020-21 fiscal year; levels in Great Slave Lake were the highest recorded since monitoring started in the 1930's. This situation is expected to continue well into 2021-22. In the spring of 2021, the GNWT advised the public of unprecedented high-water levels and the potential for flooding on rivers and streams across the territory in the spring. Several communities along the Mackenzie River experienced severe flood damage that required a significant and sustained response by NTPC. The Corporation responded by issuing emergency declarations in accordance with its Emergency Preparedness and Response program and placed additional resources on the ground to work with local emergency responders, community leaders and customers.

Water levels in the North and South Slave remain high and there should be sufficient water available for hydro generation in 2021-22. However, the higher than normal water requires NTPC to ensure water levels remain within the parameters of each specific water license and to safeguard its assets. As a result of high water on Nonacho Lake, NTPC is opening gates at Nonacho Lake Dam for the first time since 2014. The Nonacho Lake Dam is located upstream of the Taltson Hydroelectric Facility.

The impact of climate change, including high-water levels, remains one of the top risks for NTPC. The NWT is warming about three times the global rate, as highlighted in Canada's 2019 Changing Climate Report. To help mitigate climate change, NT Hydro's 2030 strategic plan is aligned with the GNWT's 2030 NWT Climate Change Strategic Framework and the GNWT 2030 Energy Strategy.

### Capital Expenditures

NT Hydro's strategic objectives focus on investing in core assets, increasing the distribution customer base, advancing Greenhouse Gas (GHG) reduction projects and reducing fuel consumption. The 2021-22 NT Hydro capital budget is \$82.9 million and includes projects to advance these strategic initiatives. The Hay River franchise acquisition will increase the distribution customer base, the Inuvik Wind project will reduce fuel consumption and reduce GHG emissions, and the diesel power plant projects in

Lutsel K'e and Sachs Harbour and hydro overhauls reflect large investments in core assets. NT Hydro has increased collaboration with the GNWT to further investigate ICIP funding options and to ensure long-term financing is arranged for all projects. NT Hydro is expected to borrow long-term debt in 2021-22 to finance the construction of these projects and will borrow the funds from the GNWT using the borrowing strategy first adopted in 2020-21.

As a result of COVID-19 some of the deferred projects from 2020-21 will resume in 2021-22 but others may be deferred further into the future, as the Corporation and its shareholder reassess whether there is sufficient capacity available to finance all capital projects within the original timeline.

Respectfully submitted

A handwritten signature in black ink, appearing to read 'Cory Strang', written in a cursive style.

Cory Strang  
Interim President & CEO

**NORTHWEST TERRITORIES HYDRO CORPORATION  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021**

# NORTHWEST TERRITORIES HYDRO CORPORATION

## Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements were prepared by management in accordance with Canadian public sector accounting standards (PSAS). Where PSAS permits alternative accounting methods, management has chosen those it deems most appropriate in the circumstances. A summary of significant accounting policies are described in Note 2 to the consolidated financial statements. Financial statements include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects. Management has prepared financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the consolidated financial statements.

The Northwest Territories Hydro Corporation (NT Hydro) maintains financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis, that assets are acquired economically, are used to further NT Hydro's objectives, are protected from loss or unauthorized use and that NT Hydro acts in accordance with the laws of the Northwest Territories and Canada. Management recognizes its responsibility for conducting NT Hydro's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to an agent of the territorial government. An internal auditor reviews the operation of financial and management systems to promote compliance and to identify changing requirements or needed improvements.

The Auditor General of Canada provides an independent, objective audit for the purpose of expressing her opinion on the consolidated financial statements. She also considers whether the transactions that come to her notice in the course of the audit are, in all significant respects, in accordance with the specified legislation.

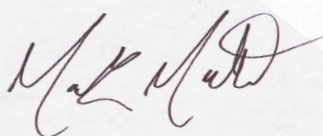
The Board of Directors appoints certain members to serve on the Audit and Efficiency Committee. This Committee oversees management's responsibilities for financial reporting and reviews and recommends approval of the consolidated financial statements. The internal and external auditors have full and free access to the Audit and Efficiency Committee.

The consolidated financial statements have been approved by the Board of Directors.



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**Cory Strang**  
Interim Chief Executive Officer



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**Mark Matheson**  
Acting Controller

Hay River, NT  
June 29, 2021





## INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Hydro Corporation

### Report on the Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of the Northwest Territories Hydro Corporation and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of operations and accumulated surplus, consolidated statement of changes in net debt and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2021, and the consolidated results of its operations, consolidated changes in its net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Information*

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the Management Discussion and Analysis section included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Report on Compliance with Specified Authorities**

### *Opinion*

In conjunction with the audit of the consolidated financial statements, we have audited transactions of the Northwest Territories Hydro Corporation coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Financial Administration Act* of the Northwest Territories and regulations, the *Northwest Territories Hydro Corporation Act* and regulations, and the by-laws of the Northwest Territories Hydro Corporation.

In our opinion, the transactions of the Northwest Territories Hydro Corporation that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Northwest Territories Hydro Corporation Act*, we report that, in our opinion, proper books of account have been kept by the Northwest Territories Hydro Corporation and the consolidated financial statements are in agreement therewith.

### *Responsibilities of Management for Compliance with Specified Authorities*

Management is responsible for the Northwest Territories Hydro Corporation's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Northwest Territories Hydro Corporation to comply with the specified authorities.

*Auditor's Responsibilities for the Audit of Compliance with Specified Authorities*

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the consolidated financial statements are in compliance with the specified authorities referred to above.



Lana Dar, CPA, CA  
Principal  
for the Auditor General of Canada

Vancouver, Canada  
29 June 2021



# NORTHWEST TERRITORIES HYDRO CORPORATION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at March 31 (in thousands of dollars)

	2021	2020
<b>Financial assets</b>		
Cash	\$ 4,748	\$ 2,003
Revenues receivable (Note 3)	13,292	14,077
Government contributions receivable (Note 17)	2,364	3,965
Loan receivable (Note 4)	9,741	11,076
Investment in Aadrii Ltd.	440	479
	<b>30,585</b>	<b>31,600</b>
<b>Liabilities</b>		
Operating line of credit (Note 5)	2	20,959
Accounts payable and accrued liabilities	20,342	28,551
Debenture debt (Note 6)	242,942	207,984
Asset retirement obligations (Note 7)	8,959	8,878
Environmental liabilities (Note 8)	14,368	16,521
Capital lease obligations (Note 4)	16,355	16,768
Other employee future benefits (Note 9)	2,831	2,937
Deferred government contributions (Note 17)	5,343	3,741
	<b>311,142</b>	<b>306,339</b>
<b>Net debt</b>	<b>(280,557)</b>	<b>(274,739)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 10)	433,910	408,098
Inventories (Note 11)	9,025	9,127
Prepaid expenses	1,554	1,328
	<b>444,489</b>	<b>418,553</b>
<b>Accumulated surplus / equity (Note 12)</b>	<b>\$ 163,932</b>	<b>\$ 143,814</b>


*Contractual obligations (Note 19)*

*The accompanying notes are an integral part of these consolidated financial statements.*

Approved on behalf of the Board:



Stephen Loutitt, Chairperson of the Board



Martin Goldney, Director

# NORTHWEST TERRITORIES HYDRO CORPORATION

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS FOR THE YEAR ENDED MARCH 31 (in thousands of dollars)

	<b>2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Revenues</b>			
Sale of power (Note 13)	\$ 109,692	\$ 109,536	\$ 109,806
Insurance proceeds (Note 17)	1,500	-	5,000
Fuel rider revenue	2,008	2,120	1,906
Other revenue and customer contributions (Note 14)	1,911	1,521	1,791
Interest income (Note 16)	1,081	1,091	1,213
(Loss) income from investment in Aadrii Ltd.	75	(39)	76
	<b>116,267</b>	<b>114,229</b>	<b>119,792</b>
<b>Expenses (Note 15)</b>			
Thermal generation	67,272	63,265	67,362
Hydro generation	22,245	20,646	19,486
Corporate services	15,247	14,465	15,152
Transmission, distribution and retail	11,576	11,036	10,849
Purchased power	2,806	2,063	3,229
Alternative power generation	249	218	240
	<b>119,395</b>	<b>111,693</b>	<b>116,318</b>
<b>Surplus (Deficit) for the year before government contributions</b>	<b>(3,128)</b>	<b>2,536</b>	<b>3,474</b>
<b>Government contributions</b>			
Other government contributions (Note 17)	45,584	17,582	13,745
	<b>45,584</b>	<b>17,582</b>	<b>13,745</b>
<b>Surplus for the year</b>	<b>\$ 42,456</b>	<b>\$ 20,118</b>	<b>\$ 17,219</b>
Accumulated surplus / equity, beginning of year	143,814	143,814	126,595
<b>Accumulated surplus / equity, end of year</b>	<b>\$ 186,270</b>	<b>\$ 163,932</b>	<b>\$ 143,814</b>

*The accompanying notes are an integral part of these consolidated financial statements.*

# NORTHWEST TERRITORIES HYDRO CORPORATION

## CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT For the year ended March 31 (in thousands of dollars)

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Surplus for the year	\$ 42,456	\$ 20,118	\$ 17,219
Tangible capital assets			
Additions	(102,504)	(39,796)	(44,224)
Capitalized overhead	(13,597)	(5,597)	(3,205)
Capitalized interest (Note 16)	(965)	(1,288)	(1,015)
Disposals	10,199	1,185	1,942
Amortization (Note 10)	19,897	19,684	17,676
	<u>(86,970)</u>	<u>(25,812)</u>	<u>(28,826)</u>
Additions of inventories	(7,500)	(7,687)	(5,259)
Use of inventories	7,500	7,789	5,447
Additions to prepaids	(1,700)	(2,992)	(2,238)
Use of prepaids	1,700	2,766	2,301
	<u>-</u>	<u>(124)</u>	<u>251</u>
<b>Increase in net debt for the year</b>	<u>\$ (44,514)</u>	<u>\$ (5,818)</u>	<u>\$ (11,356)</u>
<b>Net debt, beginning of year</b>	<u>(274,739)</u>	<u>(274,739)</u>	<u>(263,383)</u>
<b>Net debt, end of year</b>	<u>\$ (319,253)</u>	<u>\$ (280,557)</u>	<u>\$ (274,739)</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

# NORTHWEST TERRITORIES HYDRO CORPORATION

## CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended March 31 (in thousands of dollars)

	<b>2021</b>	<b>2020</b>
<b>Cash provided by operating activities</b>		
Cash receipts from customers	\$ 113,766	\$ 112,101
Insurance proceeds (Note 17)	-	5,000
Government contributions received (Note 17)	20,786	10,586
Cash paid to suppliers	(56,940)	(47,440)
Cash paid to employees	(30,448)	(31,949)
Interest paid	(10,011)	(10,272)
Interest received	85	86
	<b>37,238</b>	<b>38,112</b>
<b>Cash provided by investing activities</b>		
Loan receivable receipts (Note 4)	397	343
Distribution from Aadrii Ltd.	-	50
	<b>397</b>	<b>393</b>
<b>Cash used in capital activities</b>		
Acquisition and development of tangible capital assets	(48,978)	(46,182)
Proceeds on sale of tangible capital assets	139	26
	<b>(48,839)</b>	<b>(46,156)</b>
<b>Cash provided by financing activities</b>		
Issuance of debenture debt	40,000	-
Repayment of capital lease obligation (Note 4)	(8)	(48)
Repayment of debenture debt	(5,086)	(4,363)
(Repayment) proceeds from operating line of credit	(20,957)	11,918
	<b>13,949</b>	<b>7,507</b>
<b>Increase (decrease) in cash</b>	<b>\$ 2,745</b>	<b>\$ (144)</b>
Cash, beginning of year	2,003	2,147
<b>Cash, end of year</b>	<b>\$ 4,748</b>	<b>\$ 2,003</b>

*The accompanying notes are an integral part of these consolidated financial statements*



## NORTHWEST TERRITORIES HYDRO CORPORATION

### 1. The Corporation

#### a) Authority and corporate information

The Northwest Territories Hydro Corporation (NT Hydro) was established under the *Northwest Territories Hydro Corporation Act*. NT Hydro is a public agency under Schedule B of the *Financial Administration Act* of the Northwest Territories and is exempt from income tax. The Government of the Northwest Territories (GNWT) owns all shares of NT Hydro (Note 12).

NT Hydro's primary asset is its 100% ownership interest in Northwest Territories Power Corporation (NTPC), which owns and operates hydroelectric, diesel, natural gas and photovoltaic generation facilities to provide utility services in the Northwest Territories. NTPC is a regulated company, established under the *Northwest Territories Power Corporation Act* and controls one wholly-owned subsidiary, the Northwest Territories Energy Corporation Ltd. (NWTEC). NWTEC, under the authority of the *Northwest Territories Power Corporation Act*, financed the Dogrib Power Corporation in 1996 for the construction of a 4.3 MW hydro facility (Note 4). NWTEC is also responsible for the joint operation and shared ownership (50%) in one residual heat project in Fort McPherson, Aadrii Ltd.

NT Hydro has another subsidiary, the Northwest Territories Energy Corporation (03) Ltd. (NT Energy). NT Energy is unregulated and involved in construction and development of energy related capital projects. NT Energy is also undertaking any work to develop prices and respond to requests for electricity pricing for potential mining operations.

#### b) Regulated activities

The activities of NTPC are regulated by the Public Utilities Board (PUB) of the Northwest Territories pursuant to the *Public Utilities Act*. The PUB regulates matters covering rates, financing, accounting for regulatory purposes, construction, operation and service area. As the PUB is a board appointed by the GNWT, and NTPC is a public agency of the GNWT, NTPC and the PUB are related parties.

The PUB is required to review the affairs, earnings and accounts of NTPC a minimum of every three years. The regulatory hearing process used to establish or change rates typically begins when NTPC makes a General Rate Application (GRA) for its proposed electricity rate changes. Normally, NTPC applies for rates in advance of the applicable fiscal years (Test Years) to which the new rates will apply. In addition to GRAs, interim rate applications may be used between GRAs to deal with circumstances which could result in the use of interim rates or riders until the next GRA, when rates are reviewed and set as final.

The PUB uses cost of service regulation to regulate NTPC's earnings on a return on equity basis. NTPC filed its 2016/19 GRA on June 30, 2016. This application requested a change to NTPC's amortization rates as well as its energy rates, which include a return on equity component. In Decision 16-2017 the PUB approved amortization rates and a return on equity for 2018-19 of 8%. The approved return on equity will remain in effect until it is reassessed at the time of the next GRA. As actual operating conditions will vary from forecast, actual returns achieved may differ from approved returns.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 1. The Corporation (continued)

On March 15, 2019, NTPC filed a collection rider application with the PUB to reduce the balance of the regulated Territory-wide Rate Stabilization Fund as a result of high fuel costs as well as reduced access to lower cost generation through purchased power in Norman Wells and liquefied natural gas generation in Inuvik in the last two years. PUB Decision 4-2019 approved the rider effective May 1, 2019. The rider ranges between 0.69 c/kWh to 0.99 c/kWh for all firm power customers with the exception of Northland Utilities (NWT) Limited.

#### c) Economic dependence

NT Hydro has historically been dependent on the GNWT to maintain its operations and meet its liabilities. It is expected that the ongoing operations of NT Hydro will depend on continued financial support from the GNWT.

## 2. Significant accounting policies

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Public Sector Accounting Board (PSAB). The accounting policies set out below have been applied in preparing the consolidated financial statements.

#### a) Basis of consolidation

The consolidated financial statements of NT Hydro consist of the transactions and balances of NT Hydro and its wholly owned subsidiaries from the date that control commences until the date that control ceases. Inter-entity transactions and balances with wholly owned subsidiaries are eliminated upon consolidation. NT Hydro's investment in government business partnerships are accounted for under the modified equity method to record its investment, net income and other changes in equity. Inter-entity transactions and balances are not eliminated.

The consolidated budget figures presented in these consolidated financial statements were approved by the Board of Directors and include adjustments to eliminate budgeted inter-entity revenues and expenses. The budget figures do not reflect any forecast changes made throughout the year.

#### b) Measurement uncertainty

To prepare these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and the disclosure of contingent liabilities. Significant estimates include the estimated useful life, impairment and the value of future economic benefits associated with the tangible capital assets, the provision for other employee future benefits and the provisions for asset retirement obligations and environmental liabilities.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available.

Measurement uncertainty exists in these consolidated financial statements. Actual results could differ significantly from these estimates.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 2. Significant accounting policies (continued)

#### c) Inventories

Inventories are only held for use and consist mainly of materials, supplies, lubricants, critical spare parts and fuel. Inventories are recorded at cost. Cost is determined using the weighted average cost method. Impairments, when recognized, result in write-downs to net realizable value.

#### d) Financial instruments

The financial instruments of NT Hydro are classified and measured at amortized cost using the effective interest method and include the following: cash, revenues receivable, government contributions receivable, loan receivable, due from related party, operating line of credit, accounts payable and accrued liabilities, debenture debt, and capital lease obligations.

A provision for impairment of revenues receivable, government contributions receivable, and the loan receivable is established when there is objective evidence that NT Hydro will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganization, and default or delinquency in payment are considered indicators that revenues receivables are impaired. The carrying amount of the receivable is reduced through the use of an allowance account, and the amount of the loss is recognized in the consolidated statement of operations and accumulated surplus as bad debt expense. When a receivable is deemed uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognized in the consolidated statement of operations and accumulated surplus.

All financial assets are tested annually for impairment or more frequently if indicators of impairment exist. When these financial assets are impaired, impairment losses are recorded in the consolidated statement of operations and accumulated surplus. Such impairment is not reversed following a subsequent increase in value. Transaction costs, with respect to financial assets and liabilities carried at amortized cost, are added to the initial cost of the acquired financial asset or financial liability.

#### e) Tangible capital assets

Tangible capital assets represent property, plant and equipment and are recorded at historical cost less accumulated amortization. Costs include amounts that are directly related to the acquisition, design, construction, development, improvement and betterment of the assets. Costs include contracted services, materials and supplies, direct labour, attributable overhead costs, capitalized interest directly attributable to construction or development (IDC) and legal obligations associated with the retirement of tangible capital assets. Capitalization of interest ceases when no construction or development is taking place or when a tangible capital asset is ready for use.

The IDC rate for 2020-21 was 4.97% (2019-20 – 4.97%). Gains or losses on disposition are included in the consolidated statement of operations and accumulated surplus.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 2. Significant accounting policies (continued)

*i) Leased tangible capital assets*

Leases that transfer substantially all of the benefits and risks incidental to ownership of tangible capital assets are accounted for as leased tangible capital assets and a lease liability. The value of the leased tangible capital asset and lease liability is recorded at the inception of the lease based upon the present value of the minimum lease payments, excluding executory costs.

*ii) Transfers of tangible capital assets*

Tangible capital assets received as contributions from third parties are recorded as assets and revenue at their fair value at the date of receipt, except in circumstances where fair value cannot reasonably be determined, in which case they are recognized at nominal value.

*iii) Impairment*

When conditions indicate that a tangible capital asset no longer contributes to NT Hydro's ability to provide services, or that the value of the future economic benefits associated with the tangible capital asset is less than its net book value, the carrying value of the tangible capital asset is reduced to reflect that a permanent decline in the value of the asset has occurred. The related expense is recorded in the consolidated statement of operations and accumulated surplus and is not reversed if conditions subsequently change.

*iv) Amortization*

Management has utilized amortization rates approved by the PUB in Decision 8-2018 (Note 1(b)). The cost, less residual value, of tangible capital assets, excluding land, is amortized on the straight-line average group useful life basis. 2020-21 rates remain unchanged since 2016-17.

Annual amortization rates are as follows:

	<b>2020-21 Rates (%)</b>	<b>2019-20 Rates (%)</b>
Electric power plants	1.00 – 4.86	1.00 – 4.86
Transmission and distribution systems	1.54 – 6.67	1.54 – 6.67
Warehouse, equipment, motor vehicles and general facilities	1.31 – 20.00	1.31 – 20.00
Electric power plant under capital lease	1.00 – 4.86	1.00 – 4.86

Assets under construction are not amortized until they are ready for their intended productive use. NT Hydro uses amortization studies and other information to assess amortization rates and substantiate amortization rate changes. Amortization rate changes are accounted for on a prospective basis.



## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 2. Significant accounting policies (continued)

#### f) Government contributions

Government contributions are recognized as revenue when the contributions are authorized and any eligibility criteria are met, except to the extent that stipulations of a contribution give rise to an obligation that meets the definition of a liability, in which case the contribution is recorded as a deferred government contribution and subsequently recognized as revenue when the stipulations are met.

#### g) Customer contributions in aid of construction

Certain tangible capital asset additions are made with the assistance of cash contributions from customers. These contributions are recorded as revenues when all external restrictions or stipulations imposed by an agreement with the external party related to the contribution have been satisfied, generally when the resources are used for the purposes intended.

#### h) Public service pension plan

All eligible employees participate in the Public Service Pension Plan (the Plan), administered by the Government of Canada. The Plan is a multi-employer contributory defined benefit plan established through legislation. NT Hydro's contributions to the Plan are charged as an expense on a current year basis and represent the total pension obligations. NT Hydro is not required under present legislation to make contributions with respect to actuarial deficiencies of the Plan.

#### i) Other employee future benefits

The expected cost of providing these benefits is actuarially determined using assumptions based on management's best estimates and are recognized as employees render service. The benefit plans are not funded and thus have no assets, resulting in plan deficits equal to the accrued benefit obligation.

##### *i) Severance and ultimate removal benefits*

Under the terms and conditions of employment, eligible employees may earn severance and removal benefits based on employee start dates, years of service, final salary and point of hire. The benefits are paid upon resignation, retirement or death of an employee.

##### *ii) Sick leave benefits*

NT Hydro provides certain sick leave benefits that are available to be used in future periods when claimed by the employee upon becoming sick. The sick leave benefits accumulate but do not vest and are not paid out to employees upon resignation, retirement or death of an employee.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 2. Significant accounting policies (continued)

#### j) Asset retirement obligations (ARO)

Liabilities are recognized for statutory, contractual or legal obligations, associated with the retirement of property, plant and equipment when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The amortization method utilized on ARO costs is consistent with the rates as outlined under Tangible Capital Assets *iv) Amortization*.

NT Hydro has identified other sites where NT Hydro expects to maintain and operate these assets indefinitely and therefore no related ARO has been recognized. NT Hydro reviews its estimates of ARO on an annual basis.

#### k) Environmental liabilities

A contaminated site is a site where physical, chemical, biological or radiological substances have been introduced in air, soil, water or sediment and have an adverse effect. A liability for remediation of contaminated sites is recognized when all of the following criteria are satisfied: an environmental standard exists, contamination exceeds the environmental standard, NT Hydro is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability reflects NT Hydro's best estimate of the amount required to remediate the sites to the current minimum standard for its use prior to contamination.

Environmental liabilities consist of the estimated costs related to the monitoring, maintenance and remediation of environmentally contaminated sites. Environmental liabilities are discounted for the time value of money. NT Hydro reviews its estimates of environmental liabilities on an annual basis.

#### l) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates at year-end. Foreign currency transactions are translated into Canadian dollars using rates in effect at the time the transactions were entered into. All realized exchange gains and losses are included in surplus for the year according to the activities to which they relate.

#### m) Revenues

Revenues for the sale of power and fuel riders are recognized in the period earned based on cyclical meter readings. Sale of power revenues and fuel riders include accruals for electricity sales not yet billed.

Interest, other revenue and customer contributions are recognized on an accrual basis.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 2. Significant accounting policies (continued)

#### n) Expenses

Expenses are recognized on an accrual basis.

#### o) Contractual obligations and contingencies

The nature of NT Hydro's activities require entry into contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations pertain to funding commitments for operating and capital projects. Contractual obligations are obligations of NT Hydro to others that will become liabilities in the future when the terms of those contracts or agreements are met.

The contingencies of NT Hydro are potential liabilities, which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur and is quantifiable, an estimated liability is accrued. If the occurrence of the confirming future event is likely but the amount of the liability cannot be reasonably estimated, the contingency is disclosed. If the occurrence of the confirming future event is not determinable, the contingency is disclosed.

#### p) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess revenues over expenses, provides the change in net debt during the year.

#### q) Future accounting changes

PSAB issued new standards effective April 1, 2022: PS 1201 Financial statement presentation, PS 2601 Foreign currency translation, PS 3041 Portfolio investments and PS 3450 Financial instruments.

PSAB issued a new standard PS 3400 Revenues in November 2018. This standard has an effective date of April 1, 2023.

PSAB issued a new standard in November 2018 on Asset Retirement Obligations (PS 3280). This standard has an effective date of April 1, 2022.

NT Hydro continues to evaluate the potential impacts on its consolidated financial statements from the future adoption of these standards.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### 3. Revenues receivable

At March 31, 2021, the aging of revenues receivable was as follows:

	2021			
	Current (less than 28 days)	29-90 days	Over 90 days	Total
Utility	\$ 12,256	\$ 857	\$ 449	\$ 13,562
Non-utility	246	15	48	309
Allowance for doubtful accounts	-	(82)	(497)	(579)
	<u>\$ 12,502</u>	<u>\$ 790</u>	<u>\$ -</u>	<u>\$ 13,292</u>

At March 31, 2020, the aging of revenues receivable was as follows:

	2020			
	Current (less than 28 days)	29-90 days	Over 90 days	Total
Utility	\$ 12,820	\$ 1,035	\$ 311	\$ 14,166
Non-utility	386	6	1	393
Allowance for doubtful accounts	-	(170)	(312)	(482)
	<u>\$ 13,206</u>	<u>\$ 871</u>	<u>\$ -</u>	<u>\$ 14,077</u>

The changes in the allowance for doubtful accounts were as follows:

	2021	2020
Balance, beginning of the year	\$ (482)	\$ (256)
Receivables written off	74	139
Change to allowance	(171)	(365)
Balance, end of the year	<u>\$ (579)</u>	<u>\$ (482)</u>

Revenues receivable on utility and non-utility accounts are generally due in 45 days and interest is charged after 28 and 30 days, respectively, at rates in the terms of service agreement. As at March 31, 2021, NT Hydro provided an allowance for doubtful accounts for its revenues receivable accounts with amounts outstanding longer than 90 days. Additional disclosures on NT Hydro's exposure and management of credit risk associated with revenues receivable can be found in Note 20.



## NORTHWEST TERRITORIES HYDRO CORPORATION

### 4. Loan receivable and capital lease obligations

#### Loan receivable

NWTEC loaned \$22,900 to the Dogrib Power Corporation (DPC) to finance the construction of a hydroelectric generating plant on the Snare River (Snare Cascades) in the NWT between 1994 and 1996. The loan bears interest at an annual rate of 9.6%, which is the average rate of interest on NWTEC's debenture debt issued to finance the loan. It is due July 2026 and is repayable in equal monthly blended principal and interest payments of \$195.

Loan receivable payments and the capital lease payments for the Snare Cascades are settled on a net basis and are presented on a net basis on the consolidated statement of cash flows. Loan receivable principal payments of \$1,335 (2019-20 - \$1,214) and interest income of \$1,005 (2019-20 - \$1,127) were offset by capital lease principal payments of \$405 (2019-20 - \$405) and interest expense of \$1,538 (2019-20 - \$1,593). As a result, the net cash receipt of \$397 (2019-20 - \$343) is disclosed in the consolidated statement of cash flows as loan receivable receipts.

#### Capital lease obligations

##### *Snare Cascades*

NTPC has an initial 65-year lease from the DPC for the Snare Cascades at a variable interest rate based on the weighted average return of equity and cost of debt. The interest rate on the lease as of March 31, 2021 was 8.92% (2019-20 - 9.03%). This rate is recalculated as part of the general rate application process (Note 1(b)). The lease can be renewed at NTPC's option subject to the same covenants, obligations and agreements except for the monthly rental price which shall be determined by arbitration. The renewal term will be based on the end of the useful life of the property or the expiry of the Ground Lease, whichever comes first. To reflect the effective acquisition and financing nature of the lease, the Snare Cascades is included in electric power plant under capital lease (Note 10).

A \$4,000 guarantee from DPC's parent company, the Tlicho Investment Corporation and a blocked account agreement established by DPC provide collateral for the loan receivable. NWTEC has signing authority and full control over the blocked account in the event of default. At the beginning of each fiscal year, the balance in the blocked account must be equal to the top up payments (the difference between the loan payment made by DPC to NWTEC and the lease payment received by DPC from NTPC) required for the next 12 months.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 4. Loan receivable and capital lease obligations (continued)

#### *Present value of minimum lease payments*

The undiscounted contractual obligations, the effects of discounting and the present values of the minimum lease payments required for the capital lease obligations over the next five years and thereafter are as follows:

	2022	\$	1,886
	2023		1,827
	2024		1,764
	2025		1,698
	2026		1,629
	Thereafter		36,140
			44,944
Less: amounts representing imputed interest			(28,589)
<b>Total capital lease obligations</b>		<b>\$</b>	<b>16,355</b>

Additional disclosures on NT Hydro's exposure and management of risk associated with the loan receivable and capital lease obligations can be found in Note 20.

#### *Colville Lake Office*

In 2016, NTPC entered into a capital lease arrangement for an office in Colville Lake with minimum monthly payments of \$4 until June 1, 2020. The office was purchased in 2021 after the end of the lease term.

### 5. Operating line of credit

NTPC has a \$50,000 (2019-20 - \$40,000) operating line of credit with its bank. The operating line of credit allows NTPC to borrow using Bankers' Acceptances or other advances directly against the line of credit.

As at March 31, 2021, NTPC has borrowed \$2 (2019-20 - \$20,959) against the line of credit. In 2019-20 NTPC issued two letters of credit totalling \$3,645 against its operating line of credit. These commitments terminate on March 31, 2022 and March 31, 2023.

Notes to the Consolidated Financial Statements  
For the year ended March 31, 2021  
(in thousands of dollars)

**NORTHWEST TERRITORIES HYDRO CORPORATION**

**6. Debenture debt**

	<u>2021</u>	<u>2020</u>
3.982% amortizing debenture, due February 17, 2047 repayable semi-annually in blended payments of \$1,722	\$ 55,472	\$ 56,671
5.16% amortizing debenture, due September 13, 2040 repayable semi-annually in blended payments of \$1,684	41,109	42,310
2.265% amortizing debenture, due September 30, 2050 repayable semi-annually in blended payments of \$922 (Note 18)	39,527	-
5.443% debenture, due August 1, 2028	25,000	25,000
5.995% debenture, due December 15, 2034	25,000	25,000
3.818% debenture, due November 25, 2052	25,000	25,000
5% debenture, due July 11, 2025	15,000	15,000
6.42% amortizing debenture, due December 18, 2032 repayable semi-annually. The first payment is interest only, the second payment is interest plus \$667 principal	8,000	8,667
9.11% debenture series 3, due September 1, 2026 repayable in blended monthly payments of \$73	3,737	4,248
9.75% debentures series 2, due October 1, 2025 repayable in blended monthly payments of \$69	2,988	3,493
10% debenture series 1, due May 1, 2025 repayable in blended monthly payments of \$70	2,807	3,337
	<u>\$ 243,640</u>	<u>\$ 208,726</u>
Less: unamortized premium, discount and issuance costs	(698)	(742)
	<u>\$ 242,942</u>	<u>\$ 207,984</u>

The GNWT guarantees all of the third party debenture debt.

Principal repayments for future years are as follows:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Thereafter</u>	<u>Total</u>
	\$ 5,834	\$ 6,143	\$ 6,473	\$ 6,834	\$ 20,995	\$197,361	\$ 243,640

## NORTHWEST TERRITORIES HYDRO CORPORATION

### 7. Asset retirement obligations

ARO include costs related to the disposal of generating plants on leased land, storage tank systems and the associated piping for petroleum products in all communities served by NTPC and the remediation of contaminated sites.

Following is a summary of the key assumptions upon which the carrying amount of the ARO is based:

- Total expected future cash flows - \$15,103 (2019-20 - \$15,194).
- Expected timing of payments of the cash flow – asset removal and/or site remediation is expected to occur between 1 and 31 years with the majority occurring after 2039.
- The discount rate is the year-end cost of borrowing of 2.40% (2019-20 – 2.48%) for those obligations to be settled in less than 10 years and 3.12% (2019-20– 3.11%) for those obligations to be settled in 10 years or longer.

Following is a summary of the asset retirement obligations:

	<b>2021</b>	<b>2020</b>
Opening balance	\$ 8,878	\$ 8,456
Liabilities settled	-	(100)
Accretion expense	259	254
Valuation adjustment	(334)	(135)
Additions	156	403
Balance, end of year	<u>\$8,959</u>	<u>\$ 8,878</u>

### 8. Environmental liabilities

Environmental protection legislation (Environmental Guideline for Contaminated Site Remediation, Northwest Territories Department of Environment and Natural Resources, 2003) establishes maximum standards for concentrations of petroleum hydrocarbons and other substances in soil to protect environmental quality and human health from the long-term effect of exposure to them. Legislation requires a responsible party to perform remediation activities if the concentrations exceed standard levels. NT Hydro estimates that it has 23 sites (2019-20 - 23 sites) which have contaminated soil that exceed the accepted maximum standard in the Northwest Territories. NT Hydro is responsible for remediation of the contaminated site upon sale of the land or termination of the lease.

Management estimates that over 75% of the contamination occurred prior to May 5, 1988 when the Government of Canada controlled Northern Canada Power Commission (NTPC's predecessor company). There is no provision recorded in these consolidated financial statements for a potential recovery from the Government of Canada.



## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 8. Environmental liabilities (continued)

Following is a summary of the key assumptions upon which the carrying amount of the environmental liabilities is based:

- Total expected future cash flows - \$35,779 (2019-20 - \$37,910).
- Expected timing of payments of the cash flow – asset removal and/or site remediation is expected to occur between 1 and 69 years with the majority occurring after 2044.
- The discount rate is the year-end cost of borrowing of 2.40% (2019-20 – 2.48%) for those obligations to be settled in less than 10 years and 3.12% (2019-20 – 3.11%) for those obligations to be settled in 10 years or longer.

Following is a summary of the estimated environmental liabilities:

	<b>2021</b>	<b>2020</b>
Opening balance	\$ 16,521	\$ 13,465
Liabilities settled	(171)	(126)
Valuation adjustment	(1,982)	3,182
Balance, end of year	<u>\$ 14,368</u>	<u>\$ 16,521</u>

The valuation adjustment relates to changes in the discount rate applied and changes to expected future cash flows. The valuation adjustment is recognized in supplies and services expense (Note 15).

## 9. Other employee future benefits

### a) Public Service Pension Plan

The employees of NTPC participate in the Plan. The Plan provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the Plan. The basic benefit formula is two percent per year of pensionable service multiplied by the average of the five consecutive years of highest paid service. The employer contribution rate effective at the end of the year was 1.01 times (2019-20 – 1.00) the employees' contributions for employees who started prior to January 2013 and 1.00 times (2019-20 – 1.00) the employees' contributions for all other employees. The employer contribution rate at the end of the year for the portion of the employee's salary above \$182 (2019-20 - \$173) was 3.59 times (2019-20 – 3.80) the employees' contributions. Employer contributions of \$2,306 (2019-20 - \$2,349) were recognized as an expense in the current year. The employees' contribution to this plan was \$2,188 (2019-20 - \$2,219).

The Plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the Plan on or after January 1, 2013. For existing members, the normal retirement age remains age 60.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 9. Other employee future benefits (continued)

#### b) Other employee future benefits

Summary of other employee future benefit liabilities:

	2021			2020		
	Severance and Removal Obligation	Accumulated Sick time Obligation	Total	Severance and Removal Obligation	Accumulated Sick time Obligation	Total
Accrued benefit obligation, beginning of year	\$ 3,089	\$ 250	\$ 3,339	\$ 3,534	\$ 299	\$ 3,833
Benefits earned	295	21	316	284	20	304
Interest	80	6	86	95	8	103
Benefits paid	(415)	(158)	(573)	(525)	(140)	(665)
Actuarial (gains) losses	(250)	102	(148)	(299)	63	(236)
Accrued benefit obligation, end of year	2,799	221	3,020	3,089	250	3,339
Unamortized net actuarial gain/(loss)	144	(333)	(189)	(127)	(275)	(402)
Net future obligation	<u>\$ 2,943</u>	<u>\$ (112)</u>	<u>\$ 2,831</u>	<u>\$ 2,962</u>	<u>\$ (25)</u>	<u>\$ 2,937</u>

NT Hydro provides accumulating sick leave employee benefits of one and one quarter days of sick leave per month which will require funding in future periods when claimed upon an employee becoming sick. Sick leave can only be used for paid time off for illness of the employee. Sick leave taken is paid at the employee's normal rate of pay. The sick leave benefits are not paid out to an employee upon termination of employment, resignation or retirement. Unused sick days accumulate and there are no limits to the accumulation. Sick leave benefits accumulate over the periods of service provided by employees and are recognized as services are performed to earn them.

**NORTHWEST TERRITORIES HYDRO CORPORATION**

**Note 9. Other employee future benefits (continued)**

Total expenses related to the severance, removal benefit and sick leave plan include the following components:

	<u>2021</u>	<u>2020</u>
Current benefits earned	\$ 316	\$ 304
Interest	86	103
Plan amendments	-	-
Amortization of net actuarial loss	65	93
	<u>\$ 467</u>	<u>\$ 500</u>

The actuarial valuation reflects management's best estimate based upon a number of assumptions about a number of future events including:

	<u>2021</u>	<u>2020</u>
Expected inflation rates	2%	2%
Discount rate used to determine the accrued benefit obligation	2.7%	2.6%
Expected average remaining service life of related employee groups (EARSL)	<u>8.5 years</u>	<u>8.5 years</u>

**NORTHWEST TERRITORIES HYDRO CORPORATION**

**10. Tangible capital assets**

<b>March 31, 2021</b>						
	<b>Electric power plants</b>	<b>Transmission and Dist. systems</b>	<b>Warehouse equipment, motor vehicles, and general facilities</b>	<b>Electric power plant under capital lease</b>	<b>Construction work in progress</b>	<b>Total</b>
<b>Cost</b>						
Opening balance	\$ 366,414	\$ 104,929	\$ 73,833	\$ 28,733	\$ 58,222	\$ 632,131
Additions	156	-	-	-	46,525	46,681
Transfers – completed projects	34,404	3,098	3,954	-	(41,456)	-
Disposals and adjustments	(1,958)	(211)	(307)	-	-	(2,476)
Closing balance	399,016	107,816	77,480	28,733	63,291	676,336
<b>Accumulated amortization</b>						
Opening balance	(138,003)	(37,784)	(38,565)	(9,681)	-	(224,033)
Amortization	(11,574)	(2,597)	(5,053)	(460)	-	(19,684)
Disposals and adjustments	915	102	274	-	-	1,291
Closing balance	(148,662)	(40,279)	(43,344)	(10,141)	-	(242,426)
<b>Net book value</b>	<b>\$ 250,354</b>	<b>\$ 67,537</b>	<b>\$ 34,136</b>	<b>\$ 18,592</b>	<b>\$ 63,291</b>	<b>\$ 433,910</b>
<b>March 31, 2020</b>						
	<b>Electric power plants</b>	<b>Transmission and Dist. systems</b>	<b>Warehouse equipment, motor vehicles, and general facilities</b>	<b>Electric power plant under capital lease</b>	<b>Construction work in progress</b>	<b>Total</b>
<b>Cost</b>						
Opening balance	\$ 356,368	\$ 102,989	\$ 71,497	\$ 28,733	\$ 28,125	\$ 587,712
Additions	268	-	-	-	48,176	48,444
Transfers – completed projects	11,576	2,542	3,961	-	(18,079)	-
Disposals and adjustments	(1,798)	(602)	(1,625)	-	-	(4,025)
Closing balance	366,414	104,929	73,833	28,733	58,222	632,131
<b>Accumulated amortization</b>						
Opening balance	(128,300)	(35,432)	(35,487)	(9,221)	-	(208,440)
Amortization	(10,527)	(2,517)	(4,172)	(460)	-	(17,676)
Disposals and adjustments	824	165	1,094	-	-	2,083
Closing balance	(138,003)	(37,784)	(38,565)	(9,681)	-	(224,033)
<b>Net book value</b>	<b>\$ 228,411</b>	<b>\$ 67,145</b>	<b>\$ 35,268</b>	<b>\$ 19,052</b>	<b>\$ 58,222</b>	<b>\$ 408,098</b>

## NORTHWEST TERRITORIES HYDRO CORPORATION

### 11. Inventories

	<b>2021</b>	<b>2020</b>
Materials, supplies and lubricants	\$ 5,253	\$ 4,802
Critical spare parts	3,483	4,046
Fuel	289	279
	<u>\$ 9,025</u>	<u>\$ 9,127</u>

Inventories are used to make repairs, complete overhauls or generate electricity. Production fuel inventory is held in five of NTPC's operating plants. The liquefied natural gas (LNG) fuel requirement for NTPC's Inuvik plant is managed under the LNG fuel supply agreement described in Note 19. Diesel fuel requirements for the remaining 20 plants are managed under the fuel management services agreement described in Note 19.

### 12. Accumulated surplus / equity

	<b>2021</b>	<b>2020</b>
Share capital, common and preferred shares	\$ 43,129	\$ 43,129
Accumulated operating surplus / equity	120,803	100,685
	<u>\$ 163,932</u>	<u>\$ 143,814</u>

The authorized share capital of NT Hydro is comprised of one common share without par value and one preferred, non-cumulative share without par value. As at March 31, 2021, 1 common share (2019-20 – 1 common share), at \$43,129 per share (2019-20 – \$43,129 per share), has been issued and fully paid, and one preferred share at one dollar. NT Hydro may only issue its shares to the GNWT.

### 13. Sale of power

	<b>2021</b>	<b>2020</b>
Power sales to external customers	\$ 81,954	\$ 81,527
Power sales to GNWT and related parties	16,441	17,638
GNWT TPSP payments	6,442	6,198
GNWT HSP payments	4,699	4,443
	<u>\$ 109,536</u>	<u>\$ 109,806</u>

Sale of power includes GNWT support program payments received by NTPC on behalf of customers. The GNWT offers these support programs to both NTPC and Northland Utilities Ltd. customers.

The GNWT Territorial Power Support Program (TPSP) payments subsidize residential power rates to the rate paid in Yellowknife for energy used within a specified threshold.

The GNWT Housing Support Program (HSP) payments subsidize the difference between the specified rate paid by GNWT residential customers living in public housing and the PUB residential rate for that community.



## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 13. Sale of power (continued)

NTPC administers these support programs on behalf of the GNWT and invoices the GNWT monthly for the payments. The support payments are subject to the same terms as other utility customers as per NTPC's Terms and Conditions of Service.

### 14. Other revenue and customer contributions

	<u>2021</u>	<u>2020</u>
Heat revenues	\$ 370	\$ 398
Pole rental	346	346
Contract work	343	411
Connection fees	302	456
Contributions in aid of construction	160	180
	<u>\$ 1,521</u>	<u>\$ 1,791</u>

### 15. Expenses

The following is a summary of the expenses for the year by object:

	<u>2021</u>	<u>2020</u>
Salaries and wages	\$ 30,320	\$ 27,370
Fuel and lubricants (Note 19)	27,178	31,024
Amortization (Note 10)	19,684	17,676
Supplies and services	19,471	22,295
Interest expense (Note 16)	11,569	11,906
Travel and accommodation	2,033	2,279
Loss on disposal of assets	1,179	3,514
Accretion on ARO (Note 7)	259	254
	<u>\$ 111,693</u>	<u>\$ 116,318</u>

### 16. Interest expense and interest income

#### Interest expense

	<u>2021</u>	<u>2020</u>
Interest on debenture debt and capital leases (Notes 4, 6)	\$ 12,526	\$ 12,445
Short-term debt financing costs	331	476
Capitalized interest during construction	(1,288)	(1,015)
	<u>\$ 11,569</u>	<u>\$ 11,906</u>

#### Interest income

	<u>2021</u>	<u>2020</u>
Income on loan receivable (Note 4)	\$ 1,005	\$ 1,127
Income from overdue accounts and bank balances	86	86
	<u>\$ 1,091</u>	<u>\$ 1,213</u>

## NORTHWEST TERRITORIES HYDRO CORPORATION

### 17. Other government contributions

#### *Investing in Canada Infrastructure Program*

In 2019-20 NT Hydro's wholly owned subsidiaries entered into three agreements with the GNWT under the Government of Canada's Investing in Canada Infrastructure Program (ICIP) for the following projects:

#### Taltson Hydroelectric Facility Major Overhaul

This agreement is to support 75% of the cost of completing upgrades to various hydro, mechanical and electrical components of the facility in addition to the installation of a tailrace gate to a maximum of \$17,820. The agreement expires March 31, 2022. During the year, NTPC received payments of \$11,269 (2019-20 - \$0). As of March 31, 2021, NTPC has incurred \$13,575 of eligible expenditures. The amount of eligible expenditures incurred in excess of the amount received, \$2,306 (2019-20 - \$3,469), has been recorded as a receivable.

#### Lutsel K'e – New Diesel Power Plant Facility Project

This agreement is to support 75% of the cost of replacing the existing power plant in the community to a maximum of \$8,775. The agreement expires March 31, 2022. During the year, NTPC received payments of \$2,775 (2019-20 - \$0). As of March 31, 2021, NTPC has incurred \$2,077 of eligible expenditures. The amount received in excess of eligible expenditures incurred, \$698, has been recorded as a deferred liability. As at March 31, 2020, the amount of eligible expenditures incurred exceeded the amount received and the remainder, \$303, was recorded as a receivable.

#### Fort Simpson – Liquefied Natural Gas Power Generation Facility

This agreement is to support 75% of the cost to complete construction, installation and commissioning of a gas generation plant, as well as sufficient LNG storage and regasification to a maximum of \$11,250. The agreement expires March 31, 2023. During the year, NTPC received payments of \$2,350 (2019-20 - \$0). As of March 31, 2021, NTPC has incurred \$719 of eligible expenditures. The amount received in excess of eligible expenditures incurred, \$1,631, has been recorded as a deferred liability. As at March 31, 2020, the amount of eligible expenditures incurred exceeded the amount received and the remainder, \$136, was recorded as a receivable.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 17. Other government contributions (continued)

In 2018-19 NT Hydro's wholly owned subsidiaries entered into three agreements with the GNWT under the Government of Canada's Investing in Canada Infrastructure Program for the following projects:

#### Snare Forks Overhauls on Units 1 and 2

This agreement is to support 75% of the cost of completing turbine and generator upgrades on two units at NTPC's Snare Forks powerhouse to a maximum of \$14,100. During the year, the agreement's expiry date was extended to May 30, 2022.

In October 2018, Unit 1 experienced a mechanical failure prior to the start of the planned overhaul. NTPC initiated an insurance claim related to the Unit 1 failure including the costs associated with additional diesel generation. In 2019-20, NTPC received \$5,000 in a preliminary installment on the insurance claim and recognized this amount as revenue. Further insurance proceeds may be receivable in the future and the amount, if any, will be recognized as revenue and a portion of the ICIP funding may be repayable. As of March 31, 2021, the amount of additional insurance proceeds cannot be reasonably estimated.

During the year NTPC received payments of \$0 (2019-20 - \$2,190). Lifetime payments of \$8,190 have been received. As of March 31, 2021, NTPC has incurred \$7,464 of eligible expenditures. The amount received in excess of eligible expenditures incurred, \$726 (2019-20 - \$1,994), has been recorded as a deferred liability.

#### Sachs Harbour Plant Replacement

This agreement is to support 75% of the costs to fund the installation and commissioning of a new power plant and fuel storage tanks in Sachs Harbour to a maximum of \$7,481. During the year, the agreement's expiry date was extended to March 31, 2022. During the year, NTPC received payments of \$1,200 (2019-20 - \$4,400). Lifetime payments of \$5,600 have been received. As of March 31, 2021, NTPC has incurred \$5,083 of eligible expenditures. The amount received in excess of eligible expenditures incurred, \$517 (2019-20 - \$1,186), has been recorded as a deferred liability.

#### Inuvik Wind

This agreement between NT Energy and the GNWT is to support 100% of the costs of the design, construction and commissioning of the Inuvik High Point Wind project, to a maximum of \$30,000. During the year, the agreement expiry date was extended to March 31, 2023. During the year, NT Energy received payments of \$2,588 (2019-20 - \$3,600). As of March 31, 2021, NT Energy has incurred \$5,698 (2019-20 - \$4,320) of eligible expenditures. The amount received in excess of eligible expenditures incurred, \$1,750, (2019-20 - \$540) has been recorded as a deferred liability.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 17. Other government contributions (continued)

The following table summarizes NT Hydro's budget and the actual eligible costs incurred on the respective projects. The actuals reflect the amounts that NT Hydro has recorded as other government contributions:

	2021 Budget	2021 Actuals	2020 Actuals	Total Lifetime Costs		
<b>Taltson Hydroelectric Overhaul</b>						
Salaries and wages	\$	19	\$	5	\$	24
Supplies and services		10,084		3,431		13,515
Transportation costs		3		33		36
	<b>\$ 7,322</b>	<b>\$ 10,106</b>	<b>\$ 3,469</b>	<b>\$ 13,575</b>		
<b>Lutsel K'e Diesel Plant</b>						
Salaries and wages	\$	8	\$	5	\$	13
Supplies and services		1,765		295		2,060
Transportation costs		1		3		4
	<b>\$ 2,011</b>	<b>\$ 1,774</b>	<b>\$ 303</b>	<b>\$ 2,077</b>		
<b>Fort Simpson LNG</b>						
Salaries and wages	\$	91	\$	20	\$	111
Supplies and services		490		116		606
Transportation costs		2				2
	<b>\$ 2,983</b>	<b>\$ 583</b>	<b>\$ 136</b>	<b>\$ 719</b>		
<b>Snare Forks Overhauls</b>						
Salaries and wages	\$	114	\$	18	\$	350
Supplies and services		1,070		2,802		6,644
Transportation costs		84		312		470
	<b>\$ 8,060</b>	<b>\$ 1,268</b>	<b>\$ 3,132</b>	<b>\$ 7,464</b>		
<b>Sachs Harbour Plant Replacement</b>						
Salaries and wages	\$	17	\$	4	\$	40
Supplies and services		1,841		3,157		4,998
Transportation costs		11		34		45
	<b>\$ 3,242</b>	<b>\$ 1,869</b>	<b>\$ 3,195</b>	<b>\$ 5,083</b>		
<b>Inuvik Wind</b>						
Salaries and wages	\$	270	\$	85	\$	554
Supplies and services		1,110		3,005		5,077
Transportation costs		(2)		44		66
	<b>\$ 21,618</b>	<b>\$ 1,378</b>	<b>\$ 3,134</b>	<b>\$ 5,697</b>		
<b>Total ICIP contributions</b>	<b>\$ 45,236</b>	<b>\$ 16,978</b>	<b>\$ 13,369</b>	<b>\$ 34,615</b>		

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 17. Other government contributions (continued)

#### Other agreements

In 2020-21, NT Energy entered into three single year agreements with the GNWT. The first is for bridge funding costs associated with establishing an unregulated entity to facilitate the expansion of the electricity system through alternative energy development. The total agreement was for \$250, all of which was received and recognized as revenue in 2020-21.

The second agreement was to support lease costs for the NT Energy office in Hay River. The total agreement was for \$98, all of which was received and \$98 was recognized as revenue in 2020-21.

The third agreement was to fund a shortfall in the exploration of mining customers in 2016. There was an outstanding balance of \$256 received in full and recognized as revenue in 2020-21.

### 18. Related party transactions and balances

NT Hydro is a Territorial public agency and consequently is related to the GNWT and its agencies and corporations. NT Hydro, through NTPC, provides utility services to, and purchases fuel and other services from, these related parties. These transactions are in the normal course of operations and are at the same rates and terms as those with similar unrelated customers and suppliers.

Transactions with related parties and balances at year-end not disclosed elsewhere in these consolidated financial statements are as follows:

<b>Revenues</b>	<b>2021</b>	<b>2020</b>
Other revenue	\$ 341	\$ 439
Fuel rider revenue	458	426
	<u>\$ 799</u>	<u>\$ 865</u>
<b>Expenses</b>		
Purchases of fuel from Fuel Services Division of the GNWT (FSD) (Note 19)	\$ 21,418	\$ 25,405
Other operating expenses	1,128	1,017
	<u>\$ 22,546</u>	<u>\$ 26,422</u>
<b>Financial assets</b>		
<b>Revenues receivable</b>		
Utility	\$ 966	\$ 1,613
Non-utility	2	14
	<u>\$ 968</u>	<u>\$ 1,627</u>
<b>Liabilities</b>		
Accounts payable to FSD for fuel (Note 19)	\$ 3,007	\$ 7,333
Other accounts payable and accrued liabilities	44	56
	<u>\$ 3,051</u>	<u>\$ 7,389</u>
<b>Debenture Debt</b>		
Due to GNWT	<u>\$ 39,527</u>	<u>\$ -</u>



## NORTHWEST TERRITORIES HYDRO CORPORATION

### 19. Contractual obligations

NT Hydro is contractually committed for the following expenses with non-related parties that will be incurred subsequent to March 31, 2021.

	<u>Expiry</u>	<u>2022</u>	<u>2023 and subsequent</u>
Operational and lease commitments	2022	\$ 11,061	\$ 234

#### *Capital projects*

NT Hydro has contractual obligations totalling \$33,365 related to capital projects, of which all payments are expected to be made in 2021-22.

In addition, NT Hydro had entered into the following contractual obligations with related parties:

#### *Fuel management services agreement*

NTPC had a fuel management services agreement with the FSD. Under this agreement, fuel inventory and maintenance of fuel tank farms of 20 communities served by NTPC were provided by FSD. The price of fuel under this agreement changed with the change in market price, the cost of freight, the GNWT fuel tax rate and the amount of fuel purchased by NTPC from FSD in a given year. There was an annual minimum purchase requirement of 13,000 liters averaged over a 2 year period. The contract expired March 31, 2021 and a new contract is currently under negotiation.

#### *LNG purchases*

NTPC had an agreement with FSD to supply NTPC's Inuvik facilities with LNG that expired on March 31, 2020. The price of LNG under this agreement varied with FSD's costs, which included LNG fuel costs, which were subject to changes in the market price, transportation costs and an administrative fee. There were no minimum purchase requirements under the old contract. NTPC is currently in negotiations with FSD to sign a new agreement.

### 20. Financial instruments and risk management

NT Hydro's financial instruments include cash, revenues receivable, government contributions receivable, loan receivable, accounts payable and accrued liabilities, capital lease obligations, the operating line of credit and debenture debt.

NT Hydro is exposed to the following risks from its use of financial instruments: credit risk, liquidity risk, and interest rate risk. NT Hydro manages these risk exposures on an ongoing basis.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 20. Financial instruments and risk management (continued)

#### a) Credit risk

Credit risk is the risk that a third party will cause a financial loss for NT Hydro by failing to discharge its obligation. The following table sets out NT Hydro's maximum exposure to credit risk under a worst case scenario and does not reflect results expected.

	<u>2021</u>	<u>2020</u>
Revenues receivable	\$ 13,292	\$ 14,077
Government contributions receivable	2,364	3,965
Loan receivable	9,741	11,076
Cash	4,748	2,003
	<u>\$ 30,145</u>	<u>\$ 31,121</u>

#### *Revenues receivable*

NTPC minimizes revenues receivable credit risk by taking cash deposits from customers. The size of the deposit varies depending on the risk exposure. Established customers or those with good credit are waived from having to provide a deposit. Thirty-seven percent (2019-20 - 37%) of NTPC's sales are to two other utilities. Twenty-six percent (2019-20 - 26%) of sales, including HSP and TPSP are to the GNWT.

#### *Government contributions receivable*

The GNWT accounts for 100% of the government contributions receivable.

#### *Loan receivable*

The credit risk for the loan receivable for the Snare Cascades hydro project was minimized by security in place. See Note 4 for additional details.

#### *Cash*

NT Hydro minimizes the credit risk of cash by dealing with only reputable financial institutions and investing in securities that meet minimum credit ratings as stipulated by its investment policy and limiting exposure to any one security or asset class. An ongoing review is performed to evaluate changes in the status of counterparties.

#### b) Liquidity risk

Liquidity risk is the risk that NT Hydro will encounter difficulty in meeting its obligations associated with its financial liabilities. Debt liquidity risk is managed by the use of amortization provisions. NT Hydro arranges its financing in such a manner that the total amount of debt maturing in any given year does not exceed its ability to borrow in any given year. This practice gives NT Hydro the maximum flexibility over the use of its cash flow such that both its existing capital expenditure program and its ability to consider any future investment opportunities will not be constrained.

## NORTHWEST TERRITORIES HYDRO CORPORATION

### Note 20. Financial instruments and risk management (continued)

Liquidity risk is also managed by continuously monitoring actual and forecast cash flows, having the opportunity to borrow on a short-term basis from its shareholder and by maintaining a \$50,000 operating line of credit with a reputable financial institution. The following table shows the maturities of the debenture debt, operating line of credit, Share capital lease obligation and the associated loan receivable:

	March 31, 2021				
	1 year or less	Greater than 1 year and not later than 6 years	Greater than 6 years and not later than 20 years	Greater than 20 years	Total
Debenture debt	\$ 5,834	\$ 45,687	\$ 133,212	\$ 58,907	\$ 243,640
Operating line of credit	2	-	-	-	2
Capital lease obligation	1,886	8,482	18,564	16,012	44,944
Loan receivable	(2,341)	(10,144)	-	-	(12,485)
	\$ 5,381	\$ 44,025	\$ 151,776	\$ 74,919	\$ 276,101

	March 31, 2020				
	1 year or less	Greater than 1 year and not later than 6 years	Greater than 6 years and not later than 20 years	Greater than 20 years	Total
Debenture debt	\$ 4,613	\$ 41,284	\$ 115,323	\$ 47,506	\$ 208,726
Operating line of credit	20,959	-	-	-	20,959
Capital lease obligation	1,952	8,804	19,007	17,133	46,896
Loan receivable	(2,341)	(11,704)	(780)	-	(14,825)
	\$ 25,183	\$ 38,384	\$ 133,550	\$ 64,639	\$ 261,756

#### c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Changes in market interest rates will cause fluctuations in fair value of the loan receivable and debenture debt as these have fixed interest rates. Changes in market interest rates will cause fluctuations in cash flows of the capital lease obligation and operating line of credit as these have variable interest rates.

**NORTHWEST TERRITORIES POWER CORPORATION  
CONSOLIDATED FINANCIAL STATEMENTS  
MARCH 31, 2021**

# NORTHWEST TERRITORIES POWER CORPORATION

## Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements were prepared by management in accordance with Canadian public sector accounting standards (PSAS). Where PSAS permits alternative accounting methods, management has chosen those it deems most appropriate in the circumstances. A summary of significant accounting policies are described in Note 2 to the consolidated financial statements. Financial statements include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly in all material respects. Management has prepared financial information presented elsewhere in the annual report and has ensured that it is consistent with that in the consolidated financial statements.

The Northwest Territories Power Corporation (NTPC) maintains financial and management systems and practices which are designed to provide reasonable assurance that reliable financial and non-financial information is available on a timely basis, that assets are acquired economically, are used to further NTPC's objectives, are protected from loss or unauthorized use, and that NTPC acts in accordance with the laws of the Northwest Territories and Canada. Management recognizes its responsibility for conducting NTPC's affairs in accordance with the requirements of applicable laws and sound business principles, and for maintaining standards of conduct that are appropriate to an agent of the territorial government. An internal auditor reviews the operation of financial and management systems to promote compliance and to identify changing requirements or needed improvements.

The Auditor General of Canada provides an independent, objective audit for the purpose of expressing her opinion on the consolidated financial statements. She also considers whether the transactions that come to her notice in the course of the audit are, in all significant respects, in accordance with the specified legislation.

The Board of Directors appoints certain members to serve on the Audit and Efficiency Committee. This Committee oversees management's responsibilities for financial reporting and reviews and recommends approval of the consolidated financial statements. The internal and external auditors have full and free access to the Audit and Efficiency Committee.

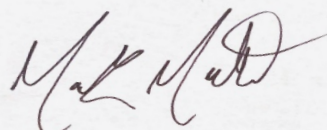
The consolidated financial statements have been approved by the Board of Directors.



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**Cory Strang**

Interim Chief Executive Officer



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**Mark Matheson**

Acting Controller

Hay River, NT  
June 29, 2021





## INDEPENDENT AUDITOR'S REPORT

To the Minister responsible for the Northwest Territories Power Corporation

### Report on the Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of the Northwest Territories Power Corporation and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 March 2021, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net debt and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2021, and the consolidated results of its operations, consolidated changes in its net debt, and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Information*

Management is responsible for the other information. The other information obtained at the date of this auditor's report is the Management Discussion and Analysis section included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements*

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Compliance with Specified Authorities**

#### *Opinion*

In conjunction with the audit of the consolidated financial statements, we have audited transactions of the Northwest Territories Power Corporation coming to our notice for compliance with specified authorities. The specified authorities against which compliance was audited are the *Financial Administration Act* of the Northwest Territories and regulations, the *Northwest Territories Power Corporation Act* and regulations, and the by-laws of the Northwest Territories Power Corporation.

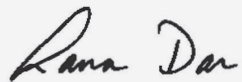
In our opinion, the transactions of the Northwest Territories Power Corporation that came to our notice during the audit of the consolidated financial statements have complied, in all material respects, with the specified authorities referred to above. Further, as required by the *Northwest Territories Power Corporation Act*, we report that, in our opinion, the accounting principles in Canadian public sector accounting standards have been applied on a basis consistent with that of the preceding year. In addition, in our opinion, proper books of account have been kept by the Northwest Territories Power Corporation and the consolidated financial statements are in agreement therewith.

*Responsibilities of Management for Compliance with Specified Authorities*

Management is responsible for the Northwest Territories Power Corporation's compliance with the specified authorities named above, and for such internal control as management determines is necessary to enable the Northwest Territories Power Corporation to comply with the specified authorities.

*Auditor's Responsibilities for the Audit of Compliance with Specified Authorities*

Our audit responsibilities include planning and performing procedures to provide an audit opinion and reporting on whether the transactions coming to our notice during the audit of the consolidated financial statements are in compliance with the specified authorities referred to above.



Lana Dar, CPA, CA  
Principal  
for the Auditor General of Canada

Vancouver, Canada  
29 June 2021



# NORTHWEST TERRITORIES POWER CORPORATION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at March 31 (in thousands of dollars)

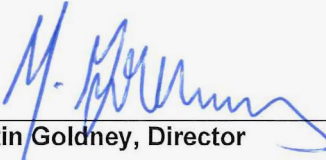
	2021	2020
<b>Financial assets</b>		
Cash	\$ 1,765	\$ 519
Revenues receivable (Note 3)	13,251	13,909
Government contributions receivable (Note 17)	2,364	3,965
Loan receivable (Note 4)	9,741	11,076
Due from related party (Note 20)	1,610	1,538
Investment in Aadrii Ltd.	440	479
	<b>29,171</b>	<b>31,486</b>
<b>Liabilities</b>		
Operating line of credit (Note 5)	2	20,959
Accounts payable and accrued liabilities	20,061	28,207
Debenture debt (Note 6)	242,942	207,984
Asset retirement obligations (Note 7)	8,959	8,878
Environmental liabilities (Note 8)	14,368	16,521
Capital lease obligations (Note 4)	16,355	16,768
Other employee future benefits (Note 9)	2,831	2,937
Deferred government contributions (Note 17)	3,593	3,200
	<b>309,111</b>	<b>305,454</b>
<b>Net debt</b>	<b>(279,940)</b>	<b>(273,968)</b>
<b>Non-financial assets</b>		
Tangible capital assets (Note 10)	427,783	403,430
Inventories (Note 11)	9,025	9,127
Prepaid expenses	1,558	1,328
	<b>438,366</b>	<b>413,885</b>
<b>Accumulated surplus / equity (Note 12)</b>	<b>\$ 158,426</b>	<b>\$ 139,917</b>

Contractual obligations (Note 19)

The accompanying notes are an integral part of these consolidated financial statements.

Approved on behalf of the Board:

  
\_\_\_\_\_  
Stephen Loutitt, Chairperson of the  
Board

  
\_\_\_\_\_  
Martin Goldney, Director



# NORTHWEST TERRITORIES POWER CORPORATION

## CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the year ended March 31 (in thousands of dollars)

	<b>2021 Budget</b>	<b>2021 Actual</b>	<b>2020 Actual</b>
<b>Revenues</b>			
Sale of power (Note 13)	\$ 109,692	\$ 109,536	\$ 109,806
Fuel rider revenue	2,008	2,120	1,906
Other revenue and customer contributions (Note 14)	1,911	1,521	1,791
Interest income (Note 16)	1,081	1,091	1,213
(Loss) income from investment in Aadrii Ltd.	75	(39)	76
Insurance proceeds (Note 17)	1,500	-	5,000
	<b>116,267</b>	<b>114,229</b>	<b>119,792</b>
<b>Expenses (Note 15)</b>			
Thermal generation	67,272	63,265	67,362
Hydro generation	22,245	20,646	19,486
Corporate services	14,801	14,092	14,787
Transmission, distribution and retail	11,576	11,036	10,849
Purchased power	2,806	2,063	3,229
Alternative power generation	249	218	240
	<b>118,949</b>	<b>111,320</b>	<b>115,953</b>
<b>Surplus (Deficit) for the year before government contributions</b>	<b>(2,682)</b>	<b>2,909</b>	<b>3,839</b>
<b>Government contributions</b>			
Other government contributions (Note 17)	23,618	15,600	10,265
<b>Surplus for the year</b>	<b>\$ 20,936</b>	<b>\$ 18,509</b>	<b>\$ 14,104</b>
Accumulated surplus / equity, beginning of year	<b>139,917</b>	<b>139,917</b>	<b>125,813</b>
<b>Accumulated surplus / equity, end of year</b>	<b>\$ 160,853</b>	<b>\$ 158,426</b>	<b>\$ 139,917</b>

The accompanying notes are an integral part of these consolidated financial statements.

# NORTHWEST TERRITORIES POWER CORPORATION

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT For the year ended March 31 (in thousands of dollars)

	<u>2021</u> <u>Budget</u>	<u>2021</u> <u>Actual</u>	<u>2020</u> <u>Actual</u>
Surplus for the year	\$ 20,936	\$ 18,509	\$ 14,104
Tangible capital assets			
Additions	(80,884)	(38,329)	(40,948)
Capitalized overhead	(13,597)	(5,597)	(3,205)
Capitalized interest (Note 16)	(965)	(1,288)	(1,015)
Disposals	10,199	1,185	1,941
Amortization (Note 10)	19,897	19,676	17,669
	<u>(65,350)</u>	<u>(24,353)</u>	<u>(25,558)</u>
Acquisition of inventories	(7,500)	(7,687)	(5,259)
Use of inventories	7,500	7,789	5,448
Acquisition of prepaids	(1,700)	(2,996)	(2,239)
Use of prepaids	1,700	2,766	2,299
	<u>-</u>	<u>(128)</u>	<u>249</u>
<b>Increase in net debt for the year</b>	<u>\$ (44,414)</u>	<u>\$ (5,972)</u>	<u>\$ (11,205)</u>
Net debt, beginning of year	<u>(273,968)</u>	<u>(273,968)</u>	<u>(262,763)</u>
<b>Net debt, end of year</b>	<u>\$ (318,382)</u>	<u>\$ (279,940)</u>	<u>\$ (273,968)</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

# NORTHWEST TERRITORIES POWER CORPORATION

## CONSOLIDATED STATEMENT OF CASH FLOWS For the year ended March 31 (in thousands of dollars)

	<b>2021</b>	<b>2020</b>
<b>Cash provided by operating activities</b>		
Cash receipts from customers	\$ 113,766	\$ 112,101
Insurance proceeds (Note 17)	-	5,000
Government contributions received (Note 17)	17,594	6,639
Cash paid to suppliers	(56,988)	(47,371)
Cash paid to employees	(30,194)	(31,815)
Interest paid	(10,010)	(10,272)
Interest received	85	86
	<b>34,253</b>	<b>34,368</b>
<b>Cash provided by investing activities</b>		
Repayments from (advances to) related party	(72)	538
Loan receivable receipts (Note 4)	397	343
Distribution from Aadrii Ltd.	-	50
	<b>325</b>	<b>931</b>
<b>Cash used in capital activities</b>		
Acquisition and development of tangible capital assets	(47,420)	(43,028)
Proceeds on sale of tangible capital assets	139	26
	<b>(47,281)</b>	<b>(43,002)</b>
<b>Cash provided by financing activities</b>		
Issuance of debenture debt	40,000	-
Repayment of capital lease obligation (Note 4)	(8)	(48)
Repayment of debenture debt	(5,086)	(4,363)
(Repayment) proceeds from operating line of credit	(20,957)	11,918
	<b>13,949</b>	<b>7,507</b>
<b>Increase (decrease) in cash</b>	<b>\$ 1,246</b>	<b>\$ (196)</b>
Cash, beginning of year	519	715
<b>Cash, end of year</b>	<b>\$ 1,765</b>	<b>\$ 519</b>

The accompanying notes are an integral part of these consolidated financial statements.

## NORTHWEST TERRITORIES POWER CORPORATION

### 1. The Corporation

#### a) Authority and corporate information

The Northwest Territories Power Corporation (NTPC) was established under the *Northwest Territories Power Corporation Act*. NTPC is a public agency under Schedule B of the *Financial Administration Act* of the Northwest Territories and is exempt from income tax. The Northwest Territories Hydro Corporation (NT Hydro) is the parent company and holds all of the common shares of NTPC. The Government of the Northwest Territories (GNWT) owns all shares of NT Hydro and owns one preferred share of NTPC (Note 12).

NTPC owns and operates hydroelectric, diesel, natural gas and photovoltaic generation facilities for the distribution and transmission of utility services to residents and businesses in the Northwest Territories (NWT). NTPC controls one wholly-owned subsidiary, the Northwest Territories Energy Corporation Ltd. (NWTEC). NWTEC, under the authority of the *Northwest Territories Power Corporation Act*, financed the Dogrib Power Corporation in 1996 for the construction of a 4.3 MW hydroelectric facility (Note 4). NWTEC is also responsible for the joint operation and shared ownership (50%) in one residual heat project in Fort McPherson, Aadrii Ltd.

NT Hydro has another subsidiary, the Northwest Territories Energy Corporation (03) Ltd. (NT Energy). NT Energy is unregulated and involved in construction and development of energy related capital projects. NT Energy is also undertaking any work to develop prices and respond to requests for electricity pricing for potential mining operations. Separate consolidated financial statements for NT Hydro are prepared each year.

#### b) Regulated activities

The activities of NTPC are regulated by the Public Utilities Board (PUB) of the Northwest Territories pursuant to the *Public Utilities Act*. The PUB regulates matters covering rates, financing, accounting for regulatory purposes, construction, operation and service area. As the PUB is a board appointed by the GNWT, and NTPC is a public agency of the GNWT, NTPC and the PUB are related parties.

The PUB is required to review the affairs, earnings and accounts of NTPC a minimum of every three years. The regulatory hearing process used to establish or change rates typically begins when NTPC makes a General Rate Application (GRA) for its proposed electricity rate changes. Normally, NTPC applies for rates in advance of the applicable fiscal years (Test Years) to which the new rates will apply. In addition to GRAs, interim rate applications may be used between GRAs to deal with circumstances which could result in the use of interim rates or riders until the next GRA, when rates are reviewed and set as final.

The PUB uses cost of service regulation to regulate NTPC's earnings on a return on equity basis. NTPC filed its 2016/19 GRA on June 30, 2016. This application requested a change to NTPC's amortization rates as well as its energy rates, which include a return on equity component. In Decision 16-2017 the PUB approved amortization rates and a return on equity for 2018-19 of 8%. The approved return on equity will remain in effect until it is reassessed at the time of the next GRA. As actual operating conditions will vary from forecast, actual returns achieved may differ from approved returns.

On March 15, 2019, NTPC filed a collection rider application with the PUB to reduce the balance of the regulated Territory-wide Rate Stabilization Fund as a result of high fuel costs as well as reduced access to lower cost generation through purchased power in Norman Wells and liquefied natural gas

**Notes to the Consolidated Financial Statements**  
**For the year ended March 31, 2021**  
*(in thousands of dollars)*

## **NORTHWEST TERRITORIES POWER CORPORATION**

### **Note 1. The Corporation (continued)**

generation in Inuvik in the last two years. PUB Decision 4-2019 approved the rider effective May 1, 2019. The rider ranges between 0.69 cents/kWh to 0.99 cents/kWh for all firm power customers with the exception of Northland Utilities (NWT) Limited.

#### **c) Economic dependence**

NTPC has historically been dependent on the GNWT to maintain its operations and meet its liabilities. It is expected that the ongoing operations of NTPC will depend on continued financial support from the GNWT.

### **2. Significant accounting policies**

These consolidated financial statements are prepared in accordance with Canadian public sector accounting standards (PSAS) as recommended by the Public Sector Accounting Board (PSAB). The accounting policies set out below have been applied in preparing the consolidated financial statements.

#### **a) Basis of consolidation**

The consolidated financial statements of NTPC consist of the transactions and balances of NTPC and its wholly-owned subsidiary from the date that control commences until the date that control ceases. Inter-entity transactions and balances with the wholly-owned subsidiary are eliminated upon consolidation. NTPC's investment in government business partnerships are accounted for under the modified equity method to record its investment, net income and other changes in equity. Inter-entity transactions and balances are not eliminated.

The consolidated budget figures presented in these consolidated financial statements were approved by the Board of Directors and include adjustments to eliminate budgeted inter-entity revenues and expenses. The budget figures do not reflect any forecast changes made throughout the year.



## NORTHWEST TERRITORIES POWER CORPORATION

### Note 2. Significant accounting policies (continued)

#### b) Measurement uncertainty

To prepare these consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses, and the disclosure of contingent liabilities. Significant estimates include the estimated useful life, impairment and the value of future economic benefits associated with the tangible capital assets, the provision for other employee future benefits and the provisions for asset retirement obligations and environmental liabilities.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available.

Measurement uncertainty exists in these consolidated financial statements. Actual results could differ significantly from these estimates.

#### c) Inventories

Inventories are only held for use and consist mainly of materials, supplies, lubricants, critical spare parts and fuel. Inventories are recorded at cost. Cost is determined using the weighted average cost method. Impairments, when recognized, result in a write-down to net realizable value.

#### d) Financial instruments

The financial instruments of NTPC are classified and measured at amortized cost using the effective interest method and include the following: cash, revenues receivable, government contributions receivable, loan receivable, due from related party, operating line of credit, accounts payable and accrued liabilities, debenture debt, and capital lease obligations.

A provision for impairment of revenues receivable, government contributions receivable, due from related party and the loan receivable is established when there is objective evidence that NTPC will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy or financial reorganization, and default or delinquency in payment are considered indicators that revenues receivable are impaired. The carrying amount of the receivable is reduced through the use of an allowance account, and the amount of the loss is recognized in the consolidated statement of operations and accumulated surplus as bad debt expense. When a receivable is deemed uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognized in the consolidated statement of operations and accumulated surplus.

All financial assets are tested annually for impairment or more frequently if indicators of impairment exist. When these financial assets are impaired, impairment losses are recorded in the consolidated statement of operations and accumulated surplus. Such impairment is not reversed following a subsequent increase in value. Transaction costs, with respect to financial assets and liabilities carried at amortized cost, are added to the initial cost of the acquired financial asset or financial liability.

## NORTHWEST TERRITORIES POWER CORPORATION

### Note 2. Significant accounting policies (continued)

#### e) Tangible capital assets

Tangible capital assets represent property, plant and equipment and are recorded at historical cost less accumulated amortization. Costs include amounts that are directly related to the acquisition, design, construction, development, improvement and betterment of the assets. Costs include contracted services, materials and supplies, direct labour, attributable overhead costs, capitalized interest directly attributable to construction or development (IDC) and legal obligations associated with the retirement of tangible capital assets. Capitalization of interest ceases when no construction or development is taking place or when a tangible capital asset is ready for use.

The IDC rate for 2020-21 was 4.97% (2019-20 – 4.97%). Gains or losses on disposition are included in the consolidated statement of operations and accumulated surplus.

##### i) *Leased tangible capital assets*

Leases that transfer substantially all of the benefits and risks incidental to ownership of tangible capital assets are accounted for as leased tangible capital assets and a lease liability.

The value of the leased tangible capital asset and lease liability is recorded at the inception of the lease based upon the present value of the minimum lease payments, excluding executory costs.

##### ii) *Transfers of tangible capital assets*

Tangible capital assets received as contributions from third parties are recorded as assets and revenue at their fair value at the date of receipt, except in circumstances where fair value cannot reasonably be determined, in which case they are recognized at nominal value.

##### iii) *Impairment*

When conditions indicate that a tangible capital asset no longer contributes to NTPC's ability to provide services, or that the value of the future economic benefits associated with the tangible capital asset is less than its net book value, the carrying value of the tangible capital asset is reduced to reflect that a permanent decline in the value of the asset has occurred. The related expense is recorded in the consolidated statement of operations and accumulated surplus and is not reversed if conditions subsequently change.

##### iv) *Amortization*

Management has utilized amortization rates approved by the PUB in Decision 8-2018 (Note 1(b)). The cost, less residual value, of tangible capital assets, excluding land, is amortized on the straight-line average group useful life basis. 2020-21 rates remain unchanged since 2016-17.

## NORTHWEST TERRITORIES POWER CORPORATION

### Note 2. Significant accounting policies (continued)

Annual amortization rates are as follows:

	<b>2020-21</b>	<b>2019-20</b>
	<b>Rates (%)</b>	<b>Rates (%)</b>
Electric power plants	1.00 – 4.86	1.00 – 4.86
Transmission and distribution systems	1.54 – 6.67	1.54 – 6.67
Warehouse, equipment, motor vehicles and general facilities	1.31 – 20.00	1.31 – 20.00
Electric power plant under capital lease	1.00 – 4.86	1.00 – 4.86

Assets under construction are not amortized until they are ready for their intended productive use. NTPC uses amortization studies and other information to assess amortization rates and substantiate amortization rate changes. Amortization rate changes are accounted for on a prospective basis.

#### f) Government contributions

Government contributions are recognized as revenue when the contributions are authorized and any eligibility criteria are met, except to the extent that stipulations of a contribution give rise to an obligation that meets the definition of a liability, in which case the contribution is recorded as a deferred government contribution and subsequently recognized as revenue when the stipulations are met.

#### g) Customer contributions in aid of construction

Certain tangible capital asset additions are made with the assistance of cash contributions from customers. These contributions are recorded as revenues when all external restrictions or stipulations imposed by an agreement with the external party related to the contribution have been satisfied, generally when the resources are used for the purposes intended.

#### h) Public service pension plan

All eligible employees participate in the Public Service Pension Plan (the Plan), administered by the Government of Canada. The Plan is a multi-employer contributory defined benefit plan established through legislation. NTPC's contributions to the Plan are charged as an expense on a current year basis and represent the total pension obligations. NTPC is not required under present legislation to make contributions with respect to actuarial deficiencies of the Plan.

#### i) Other employee future benefits

The expected cost of providing these benefits is actuarially determined using assumptions based on management's best estimates and are recognized as employees render service. The benefit plans are not funded and thus have no assets, resulting in plan deficits equal to the accrued benefit obligation.

##### i) Severance and ultimate removal benefits

Under the terms and conditions of employment, eligible employees may earn severance and removal benefits based on employee start dates, years of service, final salary and point of hire. The benefits are paid upon resignation, retirement or death of an employee.

## NORTHWEST TERRITORIES POWER CORPORATION

### Note 2. Significant accounting policies (continued)

ii) *Sick leave benefits*

NTPC provides certain sick leave benefits that are available to be used in future periods when claimed by the employee upon becoming sick. The sick leave benefits accumulate, do not vest and are not paid out to employees upon resignation, retirement or death of an employee.

j) **Asset retirement obligations (ARO)**

Liabilities are recognized for statutory, contractual or legal obligations, associated with the retirement of property, plant and equipment when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of discount and any changes in the amount or timing of the underlying future cash flows. The amortization method utilized on ARO costs is consistent with the rates as outlined under Tangible Capital Assets *iv) Amortization*.

NTPC has identified other sites where NTPC expects to maintain and operate these assets indefinitely and therefore no related ARO has been recognized. NTPC reviews its estimates of ARO on an annual basis.

k) **Environmental liabilities**

A contaminated site is a site where physical, chemical, biological or radiological substances have been introduced in air, soil, water or sediment and have an adverse effect. A liability for remediation of contaminated sites is recognized when all of the following criteria are satisfied: an environmental standard exists, contamination exceeds the environmental standard, NTPC is directly responsible or accepts responsibility, it is expected that future economic benefits will be given up and a reasonable estimate of the amount can be made. The liability reflects NTPC's best estimate of the amount required to remediate the sites to the current minimum standard for its use prior to contamination.

Environmental liabilities consist of the estimated costs related to the monitoring, maintenance and remediation of environmentally contaminated sites. Environmental liabilities are discounted for the time value of money. NTPC reviews its estimates of environmental liabilities on an annual basis.

l) **Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars using exchange rates at year-end. Foreign currency transactions are translated into Canadian dollars using rates in effect at the time the transactions were entered into. All realized exchange gains and losses are included in surplus for the year according to the activities to which they relate.

## NORTHWEST TERRITORIES POWER CORPORATION

### Note 2. Significant accounting policies (continued)

#### m) Revenues

Revenues for the sale of power and fuel riders are recognized in the period earned based on cyclical meter readings. Sale of power revenues and fuel riders include accruals for electricity sales not yet billed.

Interest, other revenue and customer contributions are recognized on an accrual basis.

#### n) Expenses

Expenses are recognized on an accrual basis.

#### o) Contractual obligations and contingencies

The nature of NTPC's activities require entry into contracts that are significant in relation to its current financial position or that will materially affect the level of future expenses. Contractual obligations pertain to funding commitments for operating and capital projects. Contractual obligations are obligations of NTPC to others that will become liabilities in the future when the terms of those contracts or agreements are met.

The contingencies of NTPC are potential liabilities, which may become actual liabilities when one or more future events occur or fail to occur. If the future event is considered likely to occur and is quantifiable, an estimated liability is accrued. If the occurrence of the confirming future event is likely but the amount of the liability cannot be reasonably estimated, the contingency is disclosed. If the occurrence of the confirming future event is not determinable, the contingency is disclosed.

#### p) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess revenues over expenses, provides the change in net debt during the year.

#### q) Future accounting changes

PSAB issued new standards effective April 1, 2022: PS 1201 Financial statement presentation, PS 2601 Foreign currency translation, PS 3041 Portfolio investments and PS 3450 Financial instruments.

PSAB issued a new standard PS 3400 Revenues in November 2018. This standard has an effective date of April 1, 2023.

PSAB issued a new standard in November 2018 on Asset Retirement Obligations (PS 3280). This standard has an effective date of April 1, 2022.

NTPC continues to evaluate the potential impacts on its consolidated financial statements from the future adoption of these standards.



## NORTHWEST TERRITORIES POWER CORPORATION

### 3. Revenues receivable

At March 31, 2021, the aging of revenues receivable was as follows:

	<b>2021</b>			
	<b>Current (less than 28 days)</b>	<b>29-90 days</b>	<b>Over 90 days</b>	<b>Total</b>
Utility	\$ 12,256	\$ 857	\$ 449	\$ 13,562
Non-utility	204	16	48	268
Allowance for doubtful accounts	-	(82)	(497)	(579)
	<u>\$ 12,460</u>	<u>\$ 791</u>	<u>\$ -</u>	<u>\$ 13,251</u>

At March 31, 2020, the aging of revenues receivable was as follows:

	<b>2020</b>			
	<b>Current (less than 28 days)</b>	<b>29-90 days</b>	<b>Over 90 days</b>	<b>Total</b>
Utility	\$ 12,820	\$ 1,035	\$ 311	\$ 14,166
Non-utility	218	6	1	225
Allowance for doubtful accounts	-	(170)	(312)	(482)
	<u>\$ 13,038</u>	<u>\$ 871</u>	<u>\$ -</u>	<u>\$ 13,909</u>

The changes in the allowance for doubtful accounts were as follows:

	<b>2021</b>	<b>2020</b>
Balance, beginning of the year	\$ (482)	\$ (256)
Receivables written off	74	139
Change to allowance	(171)	(365)
Balance, end of the year	<u>\$ (579)</u>	<u>\$ (482)</u>

Revenues receivable on utility and non-utility accounts are generally due in 45 days and interest is charged after 28 and 30 days, respectively, at rates in the terms of service agreement. As at March 31, 2021, NTPC provided an allowance for doubtful accounts for its revenues receivable accounts with amounts outstanding longer than 90 days. Additional disclosures on NTPC's exposure and management of credit risk associated with revenues receivable can be found in Note 20.

## NORTHWEST TERRITORIES POWER CORPORATION

### 4. Loan receivable and capital lease obligations

#### Loan receivable

NWTEC loaned \$22,900 to the Dogrib Power Corporation (DPC) to finance the construction of a hydroelectric generating plant on the Snare River (Snare Cascades) in the NWT between 1994 and 1996. The loan bears interest at an annual rate of 9.6%, which is the average rate of interest on NWTEC's debenture debt issued to finance the loan. It is due July 2026 and is repayable in equal monthly blended principal and interest payments of \$195.

Loan receivable payments and the capital lease payments for the Snare Cascades are settled on a net basis and are presented on a net basis on the consolidated statement of cash flows. Loan receivable principal payments of \$1,335 (2019-20 - \$1,214) and interest income of \$1,005 (2019-20 - \$1,127) were offset by capital lease principal payments of \$405 (2019-20 - \$405) and interest expense of \$1,538 (2019-20 - \$1,593). As a result, the net cash receipt of \$397 (2019-20 - \$343) is disclosed in the consolidated statement of cash flows as loan receivable receipts.

#### Capital lease obligations

##### *Snare Cascades*

NTPC has a 65-year lease from the DPC for the Snare Cascades at a variable interest rate based on the weighted average return of equity and cost of debt. The interest rate on the lease as of March 31, 2021 was 8.92% (2019-20 - 9.03%). This rate is recalculated as part of the general rate application process (Note 1(b)). The lease can be renewed at NTPC's option subject to the same covenants, obligations and agreements except for the monthly rental price which shall be determined by arbitration. The renewal term will be based on the end of the useful life of the property or the expiry of the Ground Lease, whichever comes first. To reflect the effective acquisition and financing nature of the lease, the Snare Cascades is included in electric power plant under capital lease (Note 10).

A \$4,000 guarantee from DPC's parent company, the Tlicho Investment Corporation and a blocked account agreement established by DPC provide collateral for the loan receivable. NWTEC has signing authority and full control over the blocked account in the event of default. At the beginning of each fiscal year, the balance in the blocked account must be equal to the top up payments (the difference between the loan payment made by DPC to NWTEC and the lease payment received by DPC from NTPC) required for the next 12 months.

## NORTHWEST TERRITORIES POWER CORPORATION

### Note 4. Loan receivable and capital lease obligations (continued)

#### *Present value of minimum lease payments*

The undiscounted contractual obligations, the effects of discounting and the present values of the minimum lease payments required for the capital lease obligations over the next five years and thereafter are as follows:

	2022	\$	1,886
	2023		1,827
	2024		1,764
	2025		1,698
	2026		1,629
	Thereafter		36,140
			44,944
Less: amounts representing imputed interest			(28,589)
<b>Total capital lease obligations</b>		<b>\$</b>	<b>16,355</b>

Additional disclosures on NTPC's exposure and management of risk associated with the loan receivable and capital lease obligations can be found in Note 20.

#### *Colville Lake Office*

In 2016, NTPC entered into a capital lease arrangement for an office in Colville Lake with minimum monthly payments of \$4 until June 1, 2020. The office was purchased in 2021 after the end of the lease term.

### 5. Operating line of credit

NTPC has a \$50,000 (2019-20 - \$40,000) operating line of credit with its bank. The operating line of credit allows NTPC to borrow using Bankers' Acceptances or other advances directly against the line of credit.

As at March 31, 2021, NTPC has borrowed \$2 (2019-20 - \$20,959) against the line of credit. In 2019-20 NTPC issued two letters of credit totalling \$3,645 against its operating line of credit. These commitments terminate on March 31, 2022 and March 31, 2023.

## NORTHWEST TERRITORIES POWER CORPORATION

### 6. Debenture debt

	<u>2021</u>	<u>2020</u>
3.982% amortizing debenture, due February 17, 2047 repayable semi-annually in blended payments of \$1,722	\$ 55,472	\$ 56,671
5.16% amortizing debenture, due September 13, 2040 repayable semi-annually in blended payments of \$1,684	41,109	42,310
2.265% amortizing debenture, due September 30, 2050 repayable semi-annually in blended payments of \$922 (Note 18)	39,527	-
5.443% debenture, due August 1, 2028	25,000	25,000
5.995% debenture, due December 15, 2034	25,000	25,000
3.818% debenture, due November 25, 2052	25,000	25,000
5% debenture, due July 11, 2025	15,000	15,000
6.42% amortizing debenture, due December 18, 2032 repayable semi-annually. The first payment is interest only, the second payment is interest plus \$667 principal	8,000	8,667
9.11% debenture series 3, due September 1, 2026 repayable in blended monthly payments of \$73	3,737	4,248
9.75% debentures series 2, due October 1, 2025 repayable in blended monthly payments of \$69	2,988	3,493
10% debenture series 1, due May 1, 2025 repayable in blended monthly payments of \$70	2,807	3,337
	<u>\$ 243,640</u>	<u>\$ 208,726</u>
Less: unamortized premium, discount and issuance costs	(698)	(742)
	<u>\$ 242,942</u>	<u>\$ 207,984</u>

The GNWT guarantees all of the third party debenture debt.

Principal repayments for future years are as follows:

<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Thereafter</u>	<u>Total</u>
\$ 5,834	\$ 6,143	\$ 6,473	\$ 6,834	\$ 20,995	\$197,361	\$ 243,640

## NORTHWEST TERRITORIES POWER CORPORATION

### 7. Asset retirement obligations

ARO include costs related to the disposal of generating plants on leased land, storage tank systems and the associated piping for petroleum products in all communities served by NTPC and the remediation of contaminated sites.

Following is a summary of the key assumptions upon which the carrying amount of the ARO is based:

- Total expected future cash flows - \$15,103 (2019-20 - \$15,194).
- Expected timing of payments of the cash flow – asset removal and/or site remediation is expected to occur between 1 and 31 years with the majority occurring after 2039.
- The discount rate is the year-end cost of borrowing of 2.40% (2019-20 – 2.48%) for those obligations to be settled in less than 10 years and 3.12% (2019-20– 3.11%) for those obligations to be settled in 10 years or longer.

Following is a summary of the asset retirement obligations:

	<b>2021</b>	<b>2020</b>
Opening balance	\$ 8,878	\$ 8,456
Liabilities settled	-	(100)
Accretion expense	259	254
Valuation adjustment	(334)	(135)
Additions	156	403
Balance, end of year	<u>\$8,959</u>	<u>\$ 8,878</u>

### 8. Environmental liabilities

Environmental protection legislation (Environmental Guideline for Contaminated Site Remediation, Northwest Territories Department of Environment and Natural Resources, 2003) establishes maximum standards for concentrations of petroleum hydrocarbons and other substances in soil to protect environmental quality and human health from the long-term effect of exposure to them. Legislation requires a responsible party to perform remediation activities if the concentrations exceed standard levels. NTPC estimates that it has 23 sites (2019-20 - 23 sites) which have contaminated soil that exceed the accepted maximum standard in the Northwest Territories. NTPC is responsible for remediation of the contaminated site upon sale of the land or termination of the lease.

Management estimates that over 75% of the contamination occurred prior to May 5, 1988 when the Government of Canada controlled Northern Canada Power Commission (NTPC's predecessor company). There is no provision recorded in these consolidated financial statements for a potential recovery from the Government of Canada.

Following is a summary of the key assumptions upon which the carrying amount of the environmental liabilities is based:



## NORTHWEST TERRITORIES POWER CORPORATION

### Note 8. Environmental liabilities (continued)

- Total expected future cash flows - \$35,779 (2019-20 - \$37,910).
- Expected timing of payments of the cash flow – asset removal and/or site remediation is expected to occur between 1 and 69 years with the majority occurring after 2044.
- The discount rate is the year-end cost of borrowing of 2.40% (2019-20 – 2.48%) for those obligations to be settled in less than 10 years and 3.12% (2019-20 – 3.11%) for those obligations to be settled in 10 years or longer.

Following is a summary of the estimated environmental liabilities:

	<u>2021</u>	<u>2020</u>
Opening balance	\$ 16,521	\$ 13,465
Liabilities settled	(171)	(126)
Valuation adjustment	(1,982)	3,182
Balance, end of year	<u>\$ 14,368</u>	<u>\$ 16,521</u>

The valuation adjustment relates to changes in the discount rate applied and changes to expected future cash flows. The valuation adjustment is recognized in supplies and services expense (Note 15).

## 9. Other employee future benefits

### a) Public Service Pension Plan

The employees of NTPC participate in the Plan. The Plan provides benefits based on the number of years of pensionable service to a maximum of 35 years. Benefits are determined by a formula set out in the legislation; they are not based on the financial status of the Plan. The basic benefit formula is two percent per year of pensionable service multiplied by the average of the five consecutive years of highest paid service. The employer contribution rate effective at the end of the year was 1.01 times (2019-20 – 1.00) the employees' contributions for employees who started prior to January 2013 and 1.00 times (2019-20 – 1.00) the employees' contributions for all other employees. The employer contribution rate at the end of the year for the portion of the employee's salary above \$182 (2019-20 - \$173) was 3.59 times (2019-20 – 3.80) the employees' contributions. Employer contributions of \$2,306 (2019-20 - \$2,349) were recognized as an expense in the current year. The employees' contribution to this plan was \$2,188 (2019-20 - \$2,219).

The Plan was amended during 2013 which raised the normal retirement age and other age related thresholds from age 60 to age 65 for new members joining the Plan on or after January 1, 2013. For existing members, the normal retirement age remains age 60.

**NORTHWEST TERRITORIES POWER CORPORATION**

**Note 9. Other employee future benefits (continued)**

**b) Other employee future benefits**

Summary of other employee future benefit liabilities:

	2021			2020		
	Severance and Removal Obligation	Accumulated Sick time Obligation	Total	Severance and Removal Obligation	Accumulated Sick time Obligation	Total
Accrued benefit obligation, beginning of year	\$ 3,089	\$ 250	\$ 3,339	\$ 3,534	\$ 299	\$ 3,833
Benefits earned	295	21	316	284	20	304
Interest	80	6	86	95	8	103
Benefits paid	(415)	(158)	(573)	(525)	(140)	(665)
Actuarial (gains) losses	(250)	102	(148)	(299)	63	(236)
Accrued benefit obligation, end of year	2,799	221	3,020	3,089	250	3,339
Unamortized net actuarial gain/(loss)	144	(333)	(189)	(127)	(275)	(402)
Net future obligation	\$ 2,943	\$ (112)	\$ 2,831	\$ 2,962	\$ (25)	\$ 2,937

NTPC provides accumulating sick leave employee benefits of one and one quarter days of sick leave per month which will require funding in future periods when claimed upon an employee becoming sick. Sick leave can only be used for paid time off for illness of the employee. Sick leave taken is paid at the employee's normal rate of pay. The sick leave benefits are not paid out to an employee upon termination of employment, resignation or retirement. Unused sick days accumulate and there are no limits to the accumulation. Sick leave benefits accumulate over the periods of service provided by employees and are recognized as services are performed to earn them.

## NORTHWEST TERRITORIES POWER CORPORATION

### Note 9. Other employee future benefits (continued)

Total expenses related to the severance, removal benefit and sick leave plan include the following components:

	<u>2021</u>	<u>2020</u>
Current benefits earned	\$ 316	\$ 304
Interest	86	103
Plan amendments	-	-
Amortization of net actuarial loss	65	93
	<u>\$ 467</u>	<u>\$ 500</u>

The actuarial valuation reflects management's best estimate based upon a number of assumptions about a number of future events including:

	<u>2021</u>	<u>2020</u>
Expected inflation rates	2%	2%
Discount rate used to determine the accrued benefit obligation	2.7%	2.6%
Expected average remaining service life of related employee groups (EARSL)	<u>8.5 years</u>	<u>8.5 years</u>

**NORTHWEST TERRITORIES POWER CORPORATION**

**10. Tangible capital assets**

<b>March 31, 2021</b>						
	<b>Electric power plants</b>	<b>Transmission and Dist. systems</b>	<b>Warehouse equipment, motor vehicles, and general facilities</b>	<b>Electric power plant under capital lease</b>	<b>Construction work in progress</b>	<b>Total</b>
<b>Cost</b>						
Opening balance	\$ 366,414	\$ 104,929	\$ 73,767	\$ 28,733	\$ 53,612	\$ 627,455
Additions	156	-	-	-	45,058	45,214
Transfers – completed projects	34,404	3,098	3,954	-	(41,456)	-
Disposals and adjustments	(1,958)	(211)	(307)	-	-	(2,476)
Closing balance	399,016	107,816	77,414	28,733	57,214	670,193
<b>Accumulated amortization</b>						
Opening balance	(138,003)	(37,784)	(38,557)	(9,681)	-	(224,025)
Amortization	(11,574)	(2,597)	(5,045)	(460)	-	(19,676)
Disposals and adjustments	915	102	274	-	-	1,291
Closing balance	(148,662)	(40,279)	(43,328)	(10,141)	-	(242,410)
<b>Net book value</b>	<b>\$ 250,354</b>	<b>\$ 67,537</b>	<b>\$ 34,086</b>	<b>\$ 18,592</b>	<b>\$ 57,214</b>	<b>\$ 427,783</b>
<b>March 31, 2020</b>						
	<b>Electric power plants</b>	<b>Transmission and Dist. systems</b>	<b>Warehouse equipment, motor vehicles, and general facilities</b>	<b>Electric power plant under capital lease</b>	<b>Construction work in progress</b>	<b>Total</b>
<b>Cost</b>						
Opening balance	\$ 356,368	\$ 102,989	\$ 71,431	\$ 28,733	\$ 26,791	\$ 586,312
Additions	268	-	-	-	44,900	45,168
Transfers – completed projects	11,576	2,542	3,961	-	(18,079)	-
Disposals and adjustments	(1,798)	(602)	(1,625)	-	-	(4,025)
Closing balance	366,414	104,929	73,767	28,733	53,612	627,455
<b>Accumulated amortization</b>						
Opening balance	(128,300)	(35,432)	(35,487)	(9,221)	-	(208,440)
Amortization	(10,527)	(2,517)	(4,165)	(460)	-	(17,669)
Disposals and adjustments	824	165	1,095	-	-	2,084
Closing balance	(138,003)	(37,784)	(38,557)	(9,681)	-	(224,025)
<b>Net book value</b>	<b>\$ 228,411</b>	<b>\$ 67,145</b>	<b>\$ 35,210</b>	<b>\$ 19,052</b>	<b>\$ 53,612</b>	<b>\$ 403,430</b>

## NORTHWEST TERRITORIES POWER CORPORATION

### 11. Inventories

	<u>2021</u>	<u>2020</u>
Materials, supplies and lubricants	\$ 5,253	\$ 4,802
Critical spare parts	3,483	4,046
Fuel	289	279
	<u>\$ 9,025</u>	<u>\$ 9,127</u>

Inventories are used to make repairs, complete overhauls or generate electricity. Production fuel inventory is held in five of NTPC's operating plants. The liquefied natural gas (LNG) fuel requirement for NTPC's Inuvik plant is managed under the LNG fuel supply agreement described in Note 19. Diesel fuel requirements for the remaining 20 plants are managed under the fuel management services agreement described in Note 19.

### 12. Accumulated surplus / equity

	<u>2021</u>	<u>2020</u>
Share capital, common and preferred shares	\$ 43,129	\$ 43,129
Accumulated operating surplus / equity	115,297	96,788
	<u>\$ 158,426</u>	<u>\$ 139,917</u>

The authorized share capital of NTPC is comprised of an unlimited number of common shares without par value and one preferred, non-cumulative share without par value. As at March 31, 2021, 431,288,000 common shares (2019-20 – 431,288,000 common shares) at ten cents per share (2019-20 – ten cents per share) have been issued and fully paid, and one preferred share at one dollar. NTPC may only issue its preferred shares to the GNWT.

### 13. Sale of power

	<u>2021</u>	<u>2020</u>
Power sales to external customers	\$ 81,954	\$ 81,527
Power sales to GNWT and related parties	16,441	17,638
GNWT TPSP payments	6,442	6,198
GNWT HSP payments	4,699	4,443
	<u>\$ 109,536</u>	<u>\$ 109,806</u>

Sale of power includes GNWT support program payments received by NTPC on behalf of customers. The GNWT offers these support programs to both NTPC and Northland Utilities Ltd. customers.

The GNWT Territorial Power Support Program (TPSP) payments subsidize residential power rates to the rate paid in Yellowknife for energy used within a specified threshold.

The GNWT Housing Support Program (HSP) payments subsidize the difference between the specified rate paid by GNWT residential customers living in public housing and the PUB residential rate for that community.



## NORTHWEST TERRITORIES POWER CORPORATION

### Note 13. Sale of power (continued)

NTPC administers these support programs on behalf of the GNWT and invoices the GNWT monthly for the payments. The support payments are subject to the same terms as other utility customers as per NTPC's Terms and Conditions of Service.

### 14. Other revenue and customer contributions

	<b>2021</b>	<b>2020</b>
Heat revenues	\$ 370	\$ 398
Pole rental	346	346
Contract work	343	411
Connection fees	302	456
Contributions in aid of construction	160	180
	<u>\$ 1,521</u>	<u>\$ 1,791</u>

### 15. Expenses

The following is a summary of the expenses for the year by object:

	<b>2021</b>	<b>2020</b>
Salaries and wages	\$ 30,066	\$ 27,238
Fuel and lubricants (Note 19)	27,178	31,024
Amortization (Note 10)	19,676	17,669
Supplies and services	19,360	22,069
Interest expense (Note 16)	11,569	11,906
Travel and accommodation	2,033	2,279
Loss on disposal of assets	1,179	3,514
Accretion on ARO (Note 7)	259	254
	<u>\$ 111,320</u>	<u>\$ 115,953</u>

### 16. Interest expense and interest income

#### Interest expense

	<b>2021</b>	<b>2020</b>
Interest on debenture debt and capital leases (Notes 4, 6)	\$ 12,526	\$ 12,445
Short-term debt financing costs	331	476
Capitalized interest during construction	(1,288)	(1,015)
	<u>\$ 11,569</u>	<u>\$ 11,906</u>

## NORTHWEST TERRITORIES POWER CORPORATION

### Note 16. Interest expense and interest income (continued)

#### Interest income

	<u>2021</u>	<u>2020</u>
Income on loan receivable (Note 4)	\$ 1,005	\$ 1,127
Income from overdue accounts and bank balances	86	86
	<u>\$ 1,091</u>	<u>\$ 1,213</u>

### 17. Other government contributions

#### *Investing in Canada Infrastructure Program*

In 2019-20 NTPC entered into three agreements with the GNWT under the Government of Canada's Investing in Canada Infrastructure Program (ICIP) for the following projects:

#### Taltson Hydroelectric Facility Major Overhaul

This agreement is to support 75% of the cost of completing upgrades to various hydro, mechanical and electrical components of the facility in addition to the installation of a tailrace gate to a maximum of \$17,820. The agreement expires March 31, 2022. During the year, NTPC received payments of \$11,269 (2019-20 - \$0). As of March 31, 2021, NTPC has incurred \$13,575 of eligible expenditures. The amount of eligible expenditures incurred in excess of the amount received, \$2,306 (2019-20 - \$3,469), has been recorded as a receivable.

#### Lutsel K'e – New Diesel Power Plant Facility Project

This agreement is to support 75% of the cost of replacing the existing power plant in the community to a maximum of \$8,775. The agreement expires March 31, 2022. During the year, NTPC received payments of \$2,775 (2019-20 - \$0). As of March 31, 2021, NTPC has incurred \$2,077 of eligible expenditures. The amount received in excess of eligible expenditures incurred, \$698, has been recorded as a deferred liability. As at March 31, 2020, the amount of eligible expenditures incurred exceeded the amount received and the remainder, \$303, was recorded as a receivable.

#### Fort Simpson – Liquefied Natural Gas Power Generation Facility

This agreement is to support 75% of the cost to complete construction, installation and commissioning of a gas generation plant, as well as sufficient LNG storage and regasification to a maximum of \$11,250. The agreement expires March 31, 2023. During the year, NTPC received payments of \$2,350 (2019-20 - \$0). As of March 31, 2021, NTPC has incurred \$719 of eligible expenditures. The amount received in excess of eligible expenditures incurred, \$1,631, has been recorded as a deferred liability. As at March 31, 2020, the amount of eligible expenditures incurred exceeded the amount received and the remainder, \$136, was recorded as a receivable.

## NORTHWEST TERRITORIES POWER CORPORATION

### Note 17. Other government contributions (continued)

In 2018-19 NTPC entered into two agreements with the GNWT under the Government of Canada's ICIP for the following projects:

#### Snare Forks Overhauls on Units 1 and 2

This agreement is to support 75% of the cost of completing turbine and generator upgrades on two units at NTPC's Snare Forks powerhouse to a maximum of \$14,100. During the year, the agreement's expiry date was extended to May 30, 2022.

In October 2018, Unit 1 experienced a mechanical failure prior to the start of the planned overhaul. NTPC initiated an insurance claim related to the Unit 1 failure including the costs associated with additional diesel generation. In 2019-20, NTPC received \$5,000 in a preliminary installment on the insurance claim and recognized this amount as revenue. Further insurance proceeds may be receivable in the future and the amount, if any, will be recognized as revenue and a portion of the ICIP funding may be repayable. As of March 31, 2021, the amount of additional insurance proceeds cannot be reasonably estimated.

During the year NTPC received payments of \$0 (2019-20 - \$2,190). Lifetime payments of \$8,190 have been received. As of March 31, 2021, NTPC has incurred \$7,464 of eligible expenditures. The amount received in excess of eligible expenditures incurred, \$726 (2019-20 - \$1,994), has been recorded as a deferred liability.

#### Sachs Harbour Plant Replacement

This agreement is to support 75% of the costs to fund the installation and commissioning of a new power plant and fuel storage tanks in Sachs Harbour to a maximum of \$7,481. During the year, the agreement's expiry date was extended to March 31, 2022. During the year, NTPC received payments of \$1,200 (2019-20 - \$4,400). Lifetime payments of \$5,600 have been received. As of March 31, 2021, NTPC has incurred \$5,083 of eligible expenditures. The amount received in excess of eligible expenditures incurred, \$517 (2019-20 - \$1,186), has been recorded as a deferred liability.

## NORTHWEST TERRITORIES POWER CORPORATION

### Note 17. Other government contributions (continued)

The following table summarizes NTPC's budget and the actual eligible costs incurred on the respective projects. The actuals reflect the amounts that NTPC has recorded as other government contributions:

	2021 Budget	2021 Actuals	2020 Actuals	Total Lifetime Costs
<b>Taltson Hydroelectric Overhaul</b>				
Salaries and wages	\$	19	\$	\$
Supplies and services		10,084	3,431	13,515
Transportation costs		3	33	36
	<b>\$ 7,322</b>	<b>\$ 10,106</b>	<b>\$ 3,469</b>	<b>\$ 13,575</b>
<b>Lutsel K'e Diesel Plant</b>				
Salaries and wages	\$	8	\$	\$
Supplies and services		1,765	295	2,060
Transportation costs		1	3	4
	<b>\$ 2,011</b>	<b>\$ 1,774</b>	<b>\$ 303</b>	<b>\$ 2,077</b>
<b>Fort Simpson LNG</b>				
Salaries and wages	\$	91	\$	\$
Supplies and services		490	116	606
Transportation costs		2		2
	<b>\$ 2,983</b>	<b>\$ 583</b>	<b>\$ 136</b>	<b>\$ 719</b>
<b>Snare Forks Overhauls</b>				
Salaries and wages	\$	114	\$	\$
Supplies and services		1,070	2,802	6,644
Transportation costs		84	312	470
	<b>\$ 8,060</b>	<b>\$ 1,268</b>	<b>\$ 3,132</b>	<b>\$ 7,464</b>
<b>Sachs Harbour Plant Replacement</b>				
Salaries and wages	\$	17	\$	\$
Supplies and services		1,841	3,157	4,998
Transportation costs		11	34	45
	<b>\$ 3,242</b>	<b>\$ 1,869</b>	<b>\$ 3,195</b>	<b>\$ 5,083</b>
<b>Total ICIP contributions</b>	<b>\$ 23,618</b>	<b>\$ 15,600</b>	<b>\$ 10,235</b>	<b>\$ 28,918</b>

## NORTHWEST TERRITORIES POWER CORPORATION

### 18. Related party transactions and balances

NTPC is a Territorial public agency and consequently is related to the GNWT and its agencies and corporations. NTPC provides utility services to, and purchases fuel and other services from, these related parties. These transactions are in the normal course of operations and are at the same rates and terms as those with similar unrelated customers and suppliers.

Transactions with related parties and balances at year-end not disclosed elsewhere in these consolidated financial statements are as follows:

<b>Revenues</b>	<b>2021</b>	<b>2020</b>
Other revenue	\$ 341	\$ 439
Fuel rider revenue	458	426
	\$ 799	\$ 865
<b>Expenses</b>		
Purchases of fuel from Fuel Services Division of the GNWT (FSD) (Note 19)	\$ 21,418	\$ 25,405
Other operating expenses	1,128	1,017
	\$ 22,546	\$ 26,422
<b>Financial assets</b>		
<b>Revenues receivable</b>		
Utility	\$ 966	\$ 1,613
Non-utility	2	14
	\$ 968	\$ 1,627
<b>Liabilities</b>		
Accounts payable to FSD for fuel (Note 19)	\$ 3,007	\$ 7,333
Other accounts payable and accrued liabilities	44	56
	\$ 3,051	\$ 7,389
<b>Debenture Debt</b>		
Due to GNWT	\$ 39,527	\$ -

## NORTHWEST TERRITORIES POWER CORPORATION

### 19. Contractual obligations

NTPC is contractually committed for the following expenses with non-related parties that will be incurred subsequent to March 31, 2021.

	<u>Expiry</u>	<u>2022</u>	<u>2023 and</u> <u>subsequent</u>
Operational and lease commitments	2023	\$ 11,061	\$ 234

#### *Capital projects*

NTPC has contractual obligations totalling \$28,859 related to capital projects of which all payments are expected to be made in 2021-22.

In addition, NTPC had entered into the following contractual obligations with related parties:

#### *Fuel management services agreement*

NTPC had a fuel management services agreement with the FSD. Under this agreement, fuel inventory and maintenance of fuel tank farms of 20 communities served by NTPC were provided by FSD. The price of fuel under this agreement changed with the change in market price, the cost of freight, the GNWT fuel tax rate and the amount of fuel purchased by NTPC from FSD in a given year. There was an annual minimum purchase requirement of 13,000 liters averaged over a 2 year period. The contract expired March 31, 2021 and a new contract is currently under negotiation.

#### *LNG purchases*

NTPC had an agreement with FSD to supply NTPC's Inuvik facilities with LNG that expired on March 31, 2020. The price of LNG under this agreement varied with FSD's costs, which included LNG fuel costs, which were subject to changes in the market price, transportation costs and an administrative fee. There were no minimum purchase requirements under the old contract. NTPC is currently in negotiations with FSD to sign a new agreement.



## NORTHWEST TERRITORIES POWER CORPORATION

### 20. Financial instruments and risk management

NTPC's financial instruments include cash, revenues receivable, government contributions receivable, due from related party, loan receivable, accounts payable and accrued liabilities, capital lease obligations, the operating line of credit and debenture debt.

NTPC is exposed to the following risks from its use of financial instruments: credit risk, liquidity risk, and interest rate risk. NTPC manages these risk exposures on an ongoing basis.

#### a) Credit risk

Credit risk is the risk that a third party will cause a financial loss for NTPC by failing to discharge its obligation. The following table sets out NTPC's maximum exposure to credit risk under a worst case scenario and does not reflect results expected.

	<b>2021</b>	<b>2020</b>
Revenues receivable	\$ 13,251	\$ 13,909
Government contributions receivable	2,364	3,965
Loan receivable	9,741	11,076
Due from related party	1,610	1,538
Cash	1,765	519
	<u>\$ 28,731</u>	<u>\$ 31,007</u>

#### *Revenues receivable*

NTPC minimizes revenues receivable credit risk by taking cash deposits from customers. The size of the deposit varies depending on the risk exposure. Established customers or those with good credit are waived from having to provide a deposit. Thirty-seven percent (2019-20 - 37%) of NTPC's sales are to two other utilities. Twenty-six percent (2019-20 - 26%) of sales, including HSP and TPSP are to the GNWT.

#### *Government contributions receivable*

The GNWT accounts for 100% of the government contributions receivable.

#### *Loan receivable*

The credit risk for the loan receivable for the Snare Cascades hydro project was minimized by security in place. See Note 4 for additional details.

#### *Due from related party*

This balance is the receivable NTPC holds from NT Energy for various transactions and is due on demand. The credit risk associated with this receivable is minimized by the fact that this balance is receivable from NTPC's parent company, which is a public agency and which in turn is owned by the GNWT.

## NORTHWEST TERRITORIES POWER CORPORATION

### Note 20. Financial instruments and risk management (continued)

#### Cash

NTPC minimizes the credit risk of cash by dealing with only reputable financial institutions and investing in securities that meet minimum credit ratings as stipulated by its investment policy and limiting exposure to any one security or asset class. An ongoing review is performed to evaluate changes in the status of counterparties.

#### b) Liquidity risk

Liquidity risk is the risk that NTPC will encounter difficulty in meeting its obligations associated with its financial liabilities. Debt liquidity risk is managed by the use of amortization provisions. NTPC arranges its financing in such a manner that the total amount of debt maturing in any given year does not exceed its ability to borrow in any given year. This practice gives NTPC the maximum flexibility over the use of its cash flow such that both its existing capital expenditure program and its ability to consider any future investment opportunities will not be constrained.

Liquidity risk is also managed by continuously monitoring actual and forecast cash flows, having the opportunity to borrow on a short-term basis from its shareholder and by maintaining a \$50,000 operating line of credit with a reputable financial institution. The following table shows the maturities of the operating line of credit, debenture debt, Snare capital lease obligation and the associated loan receivable:

	March 31, 2021				
	1 year or less	Greater than 1 year and not later than 6 years	Greater than 6 years and not later than 20 years	Greater than 20 years	Total
Debenture debt	\$ 5,834	\$ 45,687	\$ 133,212	\$ 58,907	\$ 243,640
Operating line of credit	2	-	-	-	2
Capital lease obligation	1,886	8,482	18,564	16,012	44,944
Loan receivable	(2,341)	(10,144)	-	-	(12,485)
	<b>\$ 5,381</b>	<b>\$ 44,025</b>	<b>\$ 151,776</b>	<b>\$ 74,919</b>	<b>\$ 276,101</b>

	March 31, 2020				
	1 year or less	Greater than 1 year and not later than 6 years	Greater than 6 years and not later than 20 years	Greater than 20 years	Total
Debenture debt	\$ 4,613	\$ 41,284	\$ 115,323	\$ 47,506	\$ 208,726
Operating line of credit	20,959	-	-	-	20,959
Capital lease obligation	1,952	8,804	19,007	17,133	46,896
Loan receivable	(2,341)	(11,704)	(780)	-	(14,825)
	<b>\$ 25,183</b>	<b>\$ 38,384</b>	<b>\$ 133,550</b>	<b>\$ 64,639</b>	<b>\$ 261,756</b>

## NORTHWEST TERRITORIES POWER CORPORATION

### Note 20. Financial instruments and risk management (continued)

#### c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Changes in market interest rates will cause fluctuations in fair value of the loan receivable and debenture debt as these have fixed interest rates. Changes in market interest rates will cause fluctuations in cash flows of the capital lease obligation and operating line of credit as these have variable interest rates.

**NORTHWEST TERRITORIES POWER CORPORATION**

**RECONCILIATION FROM PSAS CONSOLIDATED FINANCIAL INFORMATION  
TO RATE REGULATED ACCOUNTING CONSOLIDATED FINANCIAL INFORMATION**

**FOR THE YEAR ENDED MARCH 31, 2021**

**UNAUDITED**

NTPC

Reconciliation from PSAS Consolidated Financial Balances to Rate Regulated Accounting Consolidated Financial Balances

As at March 31, 2021

UNAUDITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	PSAS Balances	Reclassification Adjustments Note 1	Regulated Assets and Liabilities Note 2	TCA and ARO Adjustments Note 3	Other Note 4	Rate Regulated Balances
<b>Assets</b>						
Current assets						
Cash	\$ 1,765	\$ -	\$ -	\$ -	\$ -	\$ 1,765
Accounts receivables / Revenues receivable	13,251	2,364	-	-	-	15,615
Government contributions receivable	2,364	(2,364)	-	-	-	-
Due from related party	1,610	-	-	-	-	1,610
Inventories	9,025	(4,043)	-	-	-	4,982
Prepaid expenses	1,558	-	-	-	-	1,558
	29,573	(4,043)	-	-	-	25,530
Property, plant and equipment (net) / Tangible capital assets	427,783	4,042	-	7,322	-	439,147
Other long term assets						
Loan receivable	9,741	(9,741)	-	-	-	-
Investment in Aadrii Ltd.	440	-	-	-	-	440
Regulatory assets	-	-	24,216	-	-	24,216
	10,181	(9,741)	24,216	-	-	24,656
	<b>\$ 467,537</b>	<b>\$ (9,742)</b>	<b>\$ 24,216</b>	<b>\$ 7,322</b>	<b>\$ -</b>	<b>\$ 489,333</b>
<b>Liabilities and Shareholder's Equity</b>						
Current liabilities						
Short-term debt	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ 2
Accounts payable and accrued liabilities	20,061	(1)	-	-	(35)	20,025
Deferred government contributions	3,593	-	-	-	-	3,593
Current portion of long-term debt	-	5,834	-	-	-	5,834
	23,656	5,833	-	-	(35)	29,454
Long-term debt						
Long-term debt	242,942	(5,834)	-	-	(4,160)	232,948
Net lease obligation / Capital lease obligation	16,355	(9,741)	-	-	-	6,614
	259,297	(15,575)	-	-	(4,160)	239,562
Other non-current liabilities						
Regulatory liabilities	-	23,327	40,641	(46,653)	(1)	17,314
Asset retirement obligations / Environmental liabilities	23,327	(23,327)	-	23,327	-	23,327
Deferred government contributions	-	-	36,627	-	-	36,627
Other employee future benefits	2,831	-	-	-	112	2,943
	26,158	-	77,268	(23,326)	111	80,211
Shareholder's equity	158,426	-	(53,052)	30,648	4,084	140,106
	<b>\$ 467,537</b>	<b>\$ (9,742)</b>	<b>\$ 24,216</b>	<b>\$ 7,322</b>	<b>\$ -</b>	<b>\$ 489,333</b>

**NTPC**

**Reconciliation from PSAS Consolidated Financial Results to Rate Regulated Accounting Consolidated Financial Results**

**Year Ending March 31 2020**

**UNAUDITED**

	PSAS Results	Reclassification Adjustments	Regulated Assets and Liabilities	TCA and ARO Adjustments	Other	Rate Regulated Accounting Results
		Note 1	Note 2	Note 3	Note 4	
<b>Revenues</b>						
Sale of power	\$ 109,536	\$ -	\$ -	\$ -	\$ (2)	\$ 109,534
Net investment income Aadrii Ltd.	(39)	39	-	-	-	-
Other government contributions	15,600	-	(15,600)	-	-	-
Other revenue	1,521	(39)	(301)	-	(9)	1,172
	126,618	-	(15,901)	-	(11)	110,706
<b>Expenses</b>						
Salaries and wages	-	30,066	(1,086)	14	132	29,126
Fuel and lubricants	-	27,178	(971)	(345)	-	25,862
Supplies and services	-	19,360	(5,337)	1,981	(39)	15,965
Amortization	-	19,676	11	501	(2)	20,186
Travel and accommodation	-	2,033	(236)	-	(6)	1,791
Amortization of deferred charges	-	(66)	6,901	-	-	6,835
Net loss on disposal of assets	-	1,179	(639)	(540)	-	-
Accretion on ARO	-	259	-	(259)	-	-
Thermal generation	63,265	(63,265)	-	-	-	-
Hydro generation	20,646	(20,646)	-	-	-	-
Corporate services	14,092	(14,092)	-	-	-	-
Transmission, distribution and retail	11,036	(11,036)	-	-	-	-
Purchased power	2,063	(2,063)	-	-	-	-
Alternative power generation	218	(218)	-	-	-	-
	111,320	(11,635)	(1,357)	1,352	85	99,765
<b>Earnings from operations</b>	15,298	11,635	(14,544)	(1,352)	(96)	10,941
Interest income	1,091	(1,005)	-	-	-	86
<b>Earnings before interest expense</b>	16,389	10,630	(14,544)	(1,352)	(96)	11,027
Interest expense	-	10,630	(293)	-	186	10,523
<b>Net earnings before other</b>	<b>\$ 16,389</b>	<b>\$ -</b>	<b>\$ (14,251)</b>	<b>\$ (1,352)</b>	<b>\$ (282)</b>	<b>\$ 504</b>
Fuel rider revenue	2,120	-	-	-	(3)	2,117
Offset to Rider Revenue	-	-	(2,117)	-	-	(2,117)
	2,120	-	(2,117)	-	(3)	-
<b>Net income for the year</b>	<b>\$ 18,509</b>	<b>\$ -</b>	<b>\$ (16,368)</b>	<b>\$ (1,352)</b>	<b>\$ (285)</b>	<b>\$ 504</b>
Shareholder's equity, beginning of year	96,788	-	(36,684)	32,000	4,369	96,473
Retained earnings, end of year	115,297	-	(53,052)	30,648	4,084	96,977
Share capital	43,129	-	-	-	-	43,129
<b>Shareholder's equity, end of year</b>	<b>\$ 158,426</b>	<b>\$ -</b>	<b>\$ (53,052)</b>	<b>\$ 30,648</b>	<b>\$ 4,084</b>	<b>\$ 140,106</b>



**NORTHWEST TERRITORIES POWER CORPORATION**

**Notes to Reconciliation from PSAS Consolidated Financial Information to Rate Regulated Accounting Consolidated Financial Information**

**Year Ending March 31, 2021**

**Note 1** Under PSAS, expenses are classified by function - for Rate Regulated Accounting (RRA), they are classified by object (e.g. fuel, salaries etc.). To go from PSAS to RRA, expenses by function (e.g. Hydro Generation) are reduced and expenses by object are increased.

For RRA, assets and liabilities are classified between current (less than 1 year) and long term (longer than one year).

Under RRA, critical spare inventory is reclassified as property, plant and equipment (PPE).

**Note 2** For RRA, regulatory assets and liabilities are recorded on the balance sheet.

To go from PSAS to RRA, regulatory expenses (e.g. overhaul costs), and opening equity are reduced and regulatory assets are increased. In addition, amortization expense is increased and regulatory assets are decreased to record amortization on regulatory assets in accordance with rates approved by the NWT Public Utilities Board (PUB).

Capital contribution revenue from the GNWT and customers are deferred under RRA but included in revenue for PSAS. To go from PSAS to RRA, revenue is reduced, opening equity is increased and regulatory liabilities are increased. The regulatory liabilities are amortized on the same basis as the related assets. To go from PSAS to RRA, amortization and regulatory liabilities are decreased for the amount of amortization on regulatory liabilities.

**Note 3** Under PSAS, certain studies are not allowed to be recorded as capital assets and are expensed for PSAS purposes. To go from PSAS to RRA, expenses are reduced and PPE is increased. Amortization is also increased and net PPE is increased to record amortization expense on these study costs.

Net losses on disposal are recorded as an expense under PSAS in the year of disposal. For RRA, these net losses are deferred and netted with PPE. To go from PSAS to RRA, Net loss on disposal of assets is reduced and PPE is increased.

Asset retirement obligation costs are recorded as assets for PSAS and are not under RRA. To go from PSAS to RRA, PPE is reduced and opening equity is reduced. In addition, amortization expense and opening equity are reduced to eliminate the amortization expense on the asset retirement costs.

**Note 4** Other adjustments related to differences in how NTPC accounted for its long term debt swap costs and sick leave. To go from PSAS to RRA, salaries expense was increased and other employee future benefits were decreased to account for sick leave accruals. Interest expense was increased, and opening equity and long term debt were decreased to account for the deferred swap costs.

2020-21 SCHEDULE OF WRITE OFFS  
As of March 31, 2021

<b>Customer</b>	<b>Community</b>	<b>Amount</b>
Estate Of Tom Betsaka	Nahanni Butte	\$ 520.64
Estate Of Isadore Tsetta	Dettah	\$ 562.97
Eddy Beaulieu	Fort Resolution	\$ 567.35
Diane Balsillie	Fort Smith	\$ 581.15
Peter Bertrand	Fort Liard	\$ 585.69
Estate Of Trinity Emile	Fort Smith	\$ 596.68
Herbie Beaulieu	Fort Resolution	\$ 634.60
Gregory Mcdonald	Norman Wells	\$ 638.85
Kashina Flunki	Behchoko	\$ 666.38
Jenna Macneil	Inuvik	\$ 667.33
Great Slave Helicopters (Ccaa Protected)	Fort Simpson	\$ 668.62
Shane Naedzo	Deline	\$ 675.80
Marc Gratton	Fort Simpson	\$ 709.57
Megan Boyd	Fort Smith	\$ 729.70
Susan Ross	Inuvik	\$ 752.03
Amanda Marlowe	Lutsel K'e	\$ 802.99
Angie Kassem	Inuvik	\$ 934.43
Nwt Metis Development Corp	Norman Wells	\$ 952.14
Alvarez & Marsal Canada Inc.	Inuvik	\$ 992.48
Loretta Villeneuve	Inuvik	\$ 1,109.27
Great Slave Helicopters (Ccaa Protected)	Fort Liard	\$ 1,175.53
Johvon Christian	Aklavik	\$ 1,324.65
Lisa Mcdonald	Norman Wells	\$ 1,348.70
Richard Gordon	Norman Wells	\$ 1,359.06
Julia Ekpakohak	Ulukhaktok	\$ 1,405.35
Pauline Peterson	Inuvik	\$ 1,489.78
Estate Of Kathleen Bjornson	Norman Wells	\$ 1,620.94
Ria Letcher	Fort Simpson	\$ 1,675.07
Arnold Ruben	Inuvik	\$ 2,016.11
Great Slave Helicopters (Ccaa Protected)	Inuvik	\$ 2,336.95
Great Slave Helicopters (Ccaa Protected)	Fort Simpson	\$ 2,503.29
Great Slave Helicopters (Ccaa Protected)	Fort Simpson	\$ 2,965.06
Traye Crosby	Fort Smith	\$ 3,163.65
<b>Total Utility Write Offs (over \$500)</b>		<b>\$38,732.81</b>
North Coast Supply	<b>Tuktoyaktuk</b>	\$ 1,330.30
<b>Total Non-Utility Write Offs</b>		<b>\$ 1,330.30</b>



# In Memorium

Marlene Gail McMeekin  
(September 29, 1962 – April 1, 2021)



Marlene worked as a member of NTPC's Finance Team for 29 years. She made lasting friendships with coworkers and NTPC was her extended family.

Marlene was a proud person with a tenacious character. She valued hard work and was very dedicated to her position(s) and role(s) with the Corporation. Marlene moved to Hay River in 1983 and met her husband Dean. They had two sons Dayne and Dawson. Her family was her world and she loved them fiercely.

Marlene enjoyed competitive sports and grew up playing baseball and broomball. Her competitive nature was transferred to her boys and she became a true "Hockey Mom" for many years, supporting

her boys with 100% love and commitment. She enjoyed cheering on the Leafs and the Canadian Junior Hockey team alongside her family. Marlene drew on her fighting spirit when she faced her biggest life challenge – Cancer. Her love of family was her inspiration, and she channelled all her energy to be there for them.

We remember Marlene for her bright smile, her love of family (fur babies too) and her dedication and commitment to NTPC. Her friends and coworkers miss her dearly.



