

# 2021 ANNUAL REPORT



**NORTHWEST TERRITORIES  
PUBLIC UTILITIES BOARD**



**THE NORTHWEST TERRITORIES**

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**For the year ending  
December 31, 2021**

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# THE NORTHWEST TERRITORIES PUBLIC UTILITIES BOARD

## Mandate

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

## Board Organization

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

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

The Minister Responsible for the Board, upon the recommendation of the Executive Council, appoints members of the Board. At the end of 2021, the Board consisted of the following persons:

<b>Chairperson</b>	Gordon Van Tighem, Yellowknife, Northwest Territories
<b>Vice-Chairperson</b>	Tina Gargan, Fort Providence, Northwest Territories
<b>Member</b>	Danny Yakeleya, Tulita, Northwest Territories
<b>Member</b>	Myra Berrub, Yellowknife, Northwest Territories
<b>Member</b>	Joe Auge, Yellowknife, Northwest Territories

The Board is assisted by:

<b>Board Secretary</b>	Doris Minoza, Hay River, Northwest Territories
<b>Legal Counsel</b>	Ayanna Ferdinand Catlyn, Field Law, Yellowknife, Northwest Territories
<b>Consultant</b>	Raj Retnanandan, Energy Management & Regulatory Consulting Ltd., Calgary, Alberta

## **REGULATORY JURISDICTION**

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

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

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

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

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

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

ADR II Ltd.  
Head Office: Yellowknife, Northwest Territories

Inuvik Gas Ltd.  
Head Office: Inuvik, Northwest Territories

## UTILITY REGULATION

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

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

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

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

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

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

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

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

## 2021 HIGHLIGHTS

The 2021 year of navigating through the COVID-19 global pandemic impacted our office as it did the rest of the NWT. During NWT community lockdowns our clients were able to reach us through our office phone, email, and PUB website. Despite the physical disruption of our workplace, PUB business mandate and operations were not affected.

The Board's activities during 2021 were to review and approve:

### Stittco Utilities NWT Limited

- Rate Change Request for January 1, 2021.
- Rate Change Request for March 1, 2021.
- Rate Change Request for July 1, 2021.
- Rate Change Request for September 1, 2021.
- Rate Change Request for October 1, 2021.
- Rate Change Request for November 1, 2021.
- Rate Change Request for January 1, 2022.
- Amendment to Implementation Period for Price Changes Effective January 1, 2022.

### NWT Legislative Assembly Standing Committee on Government Operations

- Bill 23 to amend the Public Utilities Act August 18, 2021 letter.

### Northland Utilities NWT Limited

- Decision 1-2021 Fuel Cost Adjustment Rider (Rider A) Application for February 1, 2021.
- 2020 Annual Filing and Financial Statements ending December 31, 2020.

### Northland Utilities Yellowknife Limited

- 2020 Annual Filing and Financial Statements ending December 31, 2020.

### Northwest Territories Power Corporation

- Semi-annual Filing for Acknowledgement-Interruptible Heat Rates for April 1, 2021.
- Semi-annual Filing for Acknowledgement-Interruptible Heat Rate for October 1, 2020 with Stabilization Fund.

### Town of Norman Wells – Gas

- Board letter April 13, 2021, regarding update Status of the Norman Wells Gas Distribution System.

## **Other Matters**

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

Board members did not travel due to Covid-19 NWT/Alberta border travel restrictions.

Board members did participate in the online zoom courses hosted by the Canadian Association of Members of Public Utility Tribunals (“**CAMPUT**”). CAMPUT is the Board’s primary resource for providing staff and Board members with training and education in areas of utility regulation.

Ms. Doris Minoza has successfully completed online courses with the Foundation of Administrative Justice with certificates.



## A LOOK AHEAD

Major activities carrying forward from 2021 will include the 5 year Capital Plan for NTPC and an anticipated GRA including the impact of the Hay River merger and various Project permit applications. We expect a GRA application from Northland Utilities (Yellowknife) Limited (“**NUL YK**”) once the status of Northland Utilities (NWT) Limited (“**NUL NWT**”) resolves. Our monitoring of developments with Inuvik Gas Ltd. and Town of Norman Wells conversions and other evolutionary activities involving local propane suppliers continues.

Our new website continues to develop as a useful tool for those seeking information on utility regulation within the NWT. Ongoing development of Board Members through our affiliation with CAMPUT and circulation of national and international industry updates to maintain their currency.

### **Ongoing NWT Electricity Policy**

The nature and structure of the electric industry in the NWT continues to evolve. Consumers continue to consume energy from the grid, but are now producing energy to be put into the grid while distributed generation and community generation are necessitating changes to the network. On the system side, utilities and the communities they serve are indicating increased readiness to accept energy efficiency, demand response, renewable energy and energy storage, among other emerging trends.

In light of a changing industry we are anticipating the opportunity to lead a thorough review of our regulatory policies and legislative framework in order to develop recommendations to anticipate and adapt to our future.

As a unique jurisdiction, we continue to be invited to participate in National events representing the unique remote service area we regulate. We provide regular updates regarding the innovation and efficiencies we in the NWT have developed while serving our markets, some of which are being adopted in other areas.

## SUMMARY OF 2021 BOARD DECISIONS

### **DECISION 1-2021**

**January 22, 2021**

#### **Application:**

By letter dated January 13, 2021, Northland Utilities (NWT) Limited filed an application for approval to adjust the Fuel Cost Adjustment Rider (Rider A) applicable to all NUL NWT customers, effective February 1, 2021.

#### **Order:**

After review of application, the Board approved the proposed Rider A, effective February 1, 2021.

### **DECISION LETTER 2-2021**

**December 20, 2021**

#### **Application:**

By letter dated November 1, 2021, Stittco Utilities (NWT) Limited filed an application for an Amendment to implementation time period for price increases to be changed from the existing 60 days to 30 days, effective January 1, 2022, to ensure the recovery of rising costs of propane in a timely manner.

#### **Order:**

The Board approved Stittco Utilities (NWT) Limited request to reduce the 60 day requirement set out in the above quote to 30 days, effective January 1, 2022.

