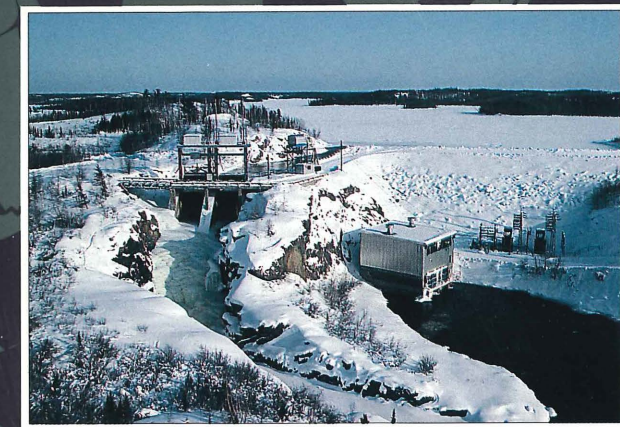


Northwest Territories
Power Corporation
Logo

1992/93 Annual Report



1992/93 Annual Report

NORTHWEST TERRITORIES
POWER
CORPORATION

\$2,914,000
 334,000
 162,000
 384,000
 541,000
 644,000
 \$ 849,000

1999-2020
 1998
 1997
 1996
 1995
 1994

NORTHWEST TERRITORIES POWER CORPORATION

Notes to Financial Statements
 March 31, 1993

16. Related party transactions

The Corporation is a Territorial Crown Corporation and consequently is related to the Government of the Northwest Territories, and its agencies and Crown corporations, Arctic College, Workers' Compensation Board (Northwest Territories) and the Northwest Territories Housing Corporation.

The Corporation provides utility services to, and purchases fuel and other services from these related parties. These services and purchases are at the same rates and terms as those with similar unrelated customers.

Transactions with related parties and balances at year end, not disclosed elsewhere in the financial statements, are as follows:

	1993 (thousands of dollars)	1992 (thousands of dollars)
Sale of power, heat and water	\$ 23,084	\$ 21,543
Purchase of fuel	11,547	11,341
Fuel tax	1,898	1,935
Workers' compensation payments	94	125
Other	247	1,208
Balances at year end		
Accounts receivable	1,661	1,161
Accounts payable	1,607	1,744

17. Franchises

Subsection 38(1) of the *Public Utilities Act* of the Northwest Territories states:

No public utility shall operate within a municipality unless the franchise of the public utility has been approved by the Board.

The Corporation requires franchises for 50 communities. As of March 31, 1993, 10 franchises have been approved by the Public Utilities Board.

The Corporation is attempting to obtain franchises for the balance of its operations and operations have continued in these unfranchised communities. The Public Utilities Board is aware of this situation.

14. $\overline{\text{P} \text{ a} \text{ d} \text{ y} \text{ c} \text{ h} \text{ a} \text{ n} \text{ g} \text{ e} \text{ s}}$ $\overline{\text{D} \text{ i} \text{ s} \text{ t} \text{ r} \text{ i} \text{ b} \text{ u} \text{ t} \text{ i} \text{ o} \text{ n} \text{ s}}$

13. $\overline{\text{V} \text{ a} \text{ l} \text{ u} \text{ e} \text{ s}}$ $\overline{\text{C} \text{ o} \text{ n} \text{ t} \text{ r} \text{ i} \text{ b} \text{ u} \text{ t} \text{ i} \text{ o} \text{ n} \text{ s}}$

12. $\overline{\text{P} \text{ r} \text{ o} \text{ v} \text{ i} \text{ d} \text{ e} \text{ d}}$ $\overline{\text{S} \text{ e} \text{ r} \text{ v} \text{ i} \text{ c} \text{ e} \text{ s}}$ $\overline{\text{I} \text{ n} \text{ c} \text{ o} \text{ m} \text{ e} \text{ n} \text{ d} \text{ e} \text{ d}}$

11. $\overline{\text{P} \text{ r} \text{ o} \text{ v} \text{ i} \text{ d} \text{ e} \text{ d}}$ $\overline{\text{S} \text{ e} \text{ r} \text{ v} \text{ i} \text{ c} \text{ e} \text{ s}}$ $\overline{\text{I} \text{ n} \text{ c} \text{ o} \text{ m} \text{ e} \text{ n} \text{ d} \text{ e} \text{ d}}$

10. $\overline{\text{P} \text{ r} \text{ o} \text{ v} \text{ i} \text{ d} \text{ e} \text{ d}}$ $\overline{\text{S} \text{ e} \text{ r} \text{ v} \text{ i} \text{ c} \text{ e} \text{ s}}$ $\overline{\text{I} \text{ n} \text{ c} \text{ o} \text{ m} \text{ e} \text{ n} \text{ d} \text{ e} \text{ d}}$

9. $\overline{\text{P} \text{ r} \text{ o} \text{ v} \text{ i} \text{ d} \text{ e} \text{ d}}$ $\overline{\text{S} \text{ e} \text{ r} \text{ v} \text{ i} \text{ c} \text{ e} \text{ s}}$ $\overline{\text{I} \text{ n} \text{ c} \text{ o} \text{ m} \text{ e} \text{ n} \text{ d} \text{ e} \text{ d}}$

8. $\overline{\text{P} \text{ r} \text{ o} \text{ v} \text{ i} \text{ d} \text{ e} \text{ d}}$ $\overline{\text{S} \text{ e} \text{ r} \text{ v} \text{ i} \text{ c} \text{ e} \text{ s}}$ $\overline{\text{I} \text{ n} \text{ c} \text{ o} \text{ m} \text{ e} \text{ n} \text{ d} \text{ e} \text{ d}}$

7. $\overline{\text{P} \text{ r} \text{ o} \text{ v} \text{ i} \text{ d} \text{ e} \text{ d}}$ $\overline{\text{S} \text{ e} \text{ r} \text{ v} \text{ i} \text{ c} \text{ e} \text{ s}}$ $\overline{\text{I} \text{ n} \text{ c} \text{ o} \text{ m} \text{ e} \text{ n} \text{ d} \text{ e} \text{ d}}$

6. $\overline{\text{P} \text{ r} \text{ o} \text{ v} \text{ i} \text{ d} \text{ e} \text{ d}}$ $\overline{\text{S} \text{ e} \text{ r} \text{ v} \text{ i} \text{ c} \text{ e} \text{ s}}$ $\overline{\text{I} \text{ n} \text{ c} \text{ o} \text{ m} \text{ e} \text{ n} \text{ d} \text{ e} \text{ d}}$

5. $\overline{\text{P} \text{ r} \text{ o} \text{ v} \text{ i} \text{ d} \text{ e} \text{ d}}$ $\overline{\text{S} \text{ e} \text{ r} \text{ v} \text{ i} \text{ c} \text{ e} \text{ s}}$ $\overline{\text{I} \text{ n} \text{ c} \text{ o} \text{ m} \text{ e} \text{ n} \text{ d} \text{ e} \text{ d}}$

4. $\overline{\text{P} \text{ r} \text{ o} \text{ v} \text{ i} \text{ d} \text{ e} \text{ d}}$ $\overline{\text{S} \text{ e} \text{ r} \text{ v} \text{ i} \text{ c} \text{ e} \text{ s}}$ $\overline{\text{I} \text{ n} \text{ c} \text{ o} \text{ m} \text{ e} \text{ n} \text{ d} \text{ e} \text{ d}}$

3. $\overline{\text{P} \text{ r} \text{ o} \text{ v} \text{ i} \text{ d} \text{ e} \text{ d}}$ $\overline{\text{S} \text{ e} \text{ r} \text{ v} \text{ i} \text{ c} \text{ e} \text{ s}}$ $\overline{\text{I} \text{ n} \text{ c} \text{ o} \text{ m} \text{ e} \text{ n} \text{ d} \text{ e} \text{ d}}$

2. $\overline{\text{P} \text{ r} \text{ o} \text{ v} \text{ i} \text{ d} \text{ e} \text{ d}}$ $\overline{\text{S} \text{ e} \text{ r} \text{ v} \text{ i} \text{ c} \text{ e} \text{ s}}$ $\overline{\text{I} \text{ n} \text{ c} \text{ o} \text{ m} \text{ e} \text{ n} \text{ d} \text{ e} \text{ d}}$

1. $\overline{\text{P} \text{ r} \text{ o} \text{ v} \text{ i} \text{ d} \text{ e} \text{ d}}$ $\overline{\text{S} \text{ e} \text{ r} \text{ v} \text{ i} \text{ c} \text{ e} \text{ s}}$ $\overline{\text{I} \text{ n} \text{ c} \text{ o} \text{ m} \text{ e} \text{ n} \text{ d} \text{ e} \text{ d}}$

NORTHWEST TERRITORIES POWER CORPORATION

Notes to Financial Statements
March 31, 1993

8. Due to the Town of Inuvik - in trust

This amount represents funds held in trust for the Town of Inuvik for capital repairs to the utilidor system.

Expenditures are made from this trust account, subject to the agreement of the Inuvik Utilidor Planning Committee made up of representatives of the Town of Inuvik, the Department of Municipal and Community Affairs of the Government of the Northwest Territories, and the Northwest Territories Power Corporation. During the year the funds held in trust earned \$117,000 (1992 -\$225,000) of interest at rates ranging from 4.97% to 8.38% (1992 -7.40% to 8.77%).

9. Long-term debt

	1993	1992
	(thousands of dollars)	
Promissory note to the Government of the Northwest Territories, repayable in ten equal annual instalments of, \$5,350,000, maturing June 23, 1998, bearing interest at 11% semi-annually.	\$ 32,100	\$ 37,450
11% sinking fund debentures, due March 9, 2009.	20,000	20,000
11 1/8% sinking fund debentures, due June 6, 2011.	15,000	15,000
10 3/4% sinking fund debentures, due May 28, 2012.	<u>20,000</u>	<u> </u>
	87,100	72,450
Less current portion	<u>5,350</u>	<u>5,350</u>
	<u>\$ 81,750</u>	<u>\$ 67,100</u>

All sinking funds debentures are unconditionally guaranteed by the Government of the Northwest Territories.

Principal repayments by fiscal year for the sinking fund debentures and the promissory note are as follows:

1994	\$ 5,350,000
1995	6,100,000
1996	6,100,000
1997	6,660,000
1998	7,410,000
1999-2013	<u>55,480,000</u>
	<u>\$87,100,000</u>

	1993	1992
	\$ 17,350	\$ 13,794
	121	132
	300	305
	694	342
	3,422	343
	346	796
	783	828
	833	887
	2,346	1,772
	\$ 8,505	\$ 8,389
	1993	1992
	\$ 1,041	\$ 850
	85	44
	86	275
	240	531
	\$ 630	\$ 531
	1993	1992
	\$ 17,350	\$ 13,794

NORTHWEST TERRITORIES POWER CORPORATION

Notes to Financial Statements
March 31, 1993

5. Housing loans receivable

Employee housing loans are non-interest bearing and require no principal repayment for five years. The loans are secured by a second mortgage on the properties as title is transferred to the employees.

6. Deferred charges, net

	1993	1992
	(thousands of dollars)	
Financing costs	\$ 630	\$ 531
Regulatory costs	240	275
Site restoration costs	86	44
Other	85	44
	<u>\$ 1,041</u>	<u>\$ 850</u>

7. Accounts payable

	1993	1992
	(thousands of dollars)	
Trade payables	\$ 8,505	\$ 8,389
Accrued interest	2,346	1,772
Fuel tax	833	887
Employee leave and termination benefits	783	828
Contractors' holdbacks	346	796
Deposits	3,422	343
Payroll	694	342
Deferred revenue	300	305
G.S.T.	121	132
	<u>\$ 17,350</u>	<u>\$ 13,794</u>

	1993	1992
Accounts receivable	\$ 180,979	\$ 78,617
Prepaid expenses	53,506	17,434
Inventory	12,385	6,262
Other assets	7,682	4,152
Accounts payable	(2,320)	(464)
Accrued liabilities	(1,856)	(3,530)
Other liabilities	(4,203)	(6,106)
	<u>\$ 137,480</u>	<u>\$ 89,467</u>

	1993	1992
Accounts payable	\$ 17,477	\$ 16,929
Accrued liabilities	2,550	2,212
Other liabilities	64	2,055
Trade payables	(2,517)	(12,841)
Accrued interest	(9,000)	(171,000)
Fuel tax	(42,000)	(171,000)
Employee leave and termination benefits	(208,000)	(171,000)
Contractors' holdbacks	(12,064)	(12,064)
Deposits	(17,477)	(16,929)
Payroll	(103)	(103)
Deferred revenue	(103)	(103)
G.S.T.	(103)	(103)
	<u>\$ 3,655,000</u>	<u>\$ 3,860,000</u>

Accounts receivable and other assets are stated at fair value. Accounts payable and other liabilities are stated at carrying value.

NORTHWEST TERRITORIES POWER CORPORATION

Notes to Financial Statements
March 31, 1993

1. Authority and Operations

The Corporation operates under the authority of the *Northwest Territories Power Corporation Act* and the *Financial Administration Act* and is a Crown corporation of the Government of the Northwest Territories.

The Corporation operates diesel and hydro-electric production facilities to provide utility services on a self-sustaining basis in the Northwest Territories. The Corporation is regulated by the Public Utilities Board of the Northwest Territories.

The Corporation is exempt from income tax.

2. Accounting policies

A summary of the significant accounting policies follows:

Inventories

Fuel and lubricants are valued at the lower of average cost and net realizable value. Materials and supplies are valued at the lower of cost and replacement cost.

Property and equipment

Property and equipment, excluding that donated to the Corporation, are carried at cost less accumulated amortization. Costs of additions, betterment and major renewals are capitalized. In addition to direct costs of goods and services, capital project costs include an allowance for funds used during construction at a rate approved by the Public Utilities Board and a share of engineering and general administration expense which is directly attributable to the project.

Property and equipment donated to the Corporation are recorded at their estimated fair value less accumulated amortization.

Amortization

On the retirement or sale of depreciable assets, the cost of the assets retired less disposal proceeds is charged or credited to accumulated amortization with no gain or loss being reflected in operations. Gains and losses resulting from exceptional circumstances are credited or charged to operations in the year that they are recognized.

Property and equipment in service are amortized on a straight-line basis over their estimated useful lives as follows:

	1993	1992
Property and equipment	20,000	20,000
Accumulated amortization	(9,955)	(6,218)
Property and equipment, net	10,045	13,782
Inventories	15,000	(5,350)
Prepaid expenses	(1,045)	(1,752)
Accounts receivable	15,122	15,122
Accounts payable	(2,122)	(2,122)
Other assets	1,515	1,515
Other liabilities	(1,523)	(1,523)
Deferred tax	8,605	8,605
Retained earnings	1,045	1,045
Total	\$ 7,795	\$ 7,795

NORTHWEST TERRITORIES POWER CORPORATION

Statement of Income
for the year ended March 31, 1993

	1993 (thousands of dollars)	1992
Revenues		
Sale of power	\$ 90,274	\$ 84,954
Sale of heat	5,749	5,510
Other	<u>2,304</u>	<u>2,408</u>
	98,327	92,872
Expenses (Note 11)		
Fuel and lubricants	32,783	33,140
Salaries and wages	21,404	22,615
Supplies and services	14,541	14,422
Amortization	10,340	9,215
Travel and accommodation	<u>2,832</u>	<u>3,058</u>
	81,900	82,450
Income from operations	16,427	10,422
Allowance for funds used during construction	700	733
Interest income	<u>496</u>	<u>383</u>
	1,196	1,116
Income before the undernoted	17,623	11,538
Interest expense (Note 12)	9,828	8,977
Gain on sale of building	<u>—</u>	<u>(1,812)</u>
	9,928	7,165
Net income	<u>\$ 7,795</u>	<u>\$ 4,373</u>

1993	1992
\$ 179,505	\$ 190,164
70,021	74,471
26,892	31,342
43,129	43,129
6,358	5,937
68,080	82,857
980	1,107
67,100	81,750
35,046	26,899
2,873	1,840
2,467	5,350
5,350	—
9,955	17,350
13,794	17,350
\$ 607	\$ 2,359

Statement of Income
for the year ended March 31, 1993

**NORTHWEST TERRITORIES POWER CORPORATION
Financial Summary**

	Years Ended March 31				
	1993	1992	1991	1990	1989
	(thousands of dollars)				
Operating revenue	\$ 98,327	\$ 92,872	\$ 90,086	\$ 82,191	\$ 79,169
Operating expenses	81,900	82,450	81,760	78,421	72,104
Fuel expense	32,783	33,140	32,161	30,061	26,858
Interest expense	9,828	8,977	8,342	4,147	5,013
Income from operations	16,427	10,422	8,326	3,744	7,065
Net income(loss)	7,795	4,373	2,195	(1,371)	1,777
Dividend	3,345	2,709	2,784	—	2,600
Capital expenditures	22,889	18,659	16,795	22,900	19,337
Gross fixed assets	259,900	237,747	222,596	189,411	178,110
Net fixed assets	150,565	137,480	128,395	104,219	102,154
Sales (MW.h)	431,339	430,436	433,745	414,470	390,374
Generation (MW.h)	479,137	474,303	474,133	463,930	441,759
Number of customers	14,176	14,400	13,720	13,236	12,900
Operating Revenues					
Electrical					
Commercial	37.4%	36.6%	33.9%	33.4%	32.4%
Domestic	30.0%	30.0%	30.4%	30.6%	30.0%
Wholesale	15.0%	15.5%	16.2%	16.1%	15.7%
Industrial	8.7%	8.6%	9.5%	9.2%	11.0%
Streetlights	0.8%	0.8%	0.7%	0.8%	0.7%
Heat	5.8%	5.9%	6.8%	7.6%	7.9%
Other	2.3%	2.6%	2.5%	2.3%	2.3%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
Operating Expenses					
Fuel and lubricants	40.0%	40.2%	39.3%	38.3%	37.2%
Salaries and wages	26.1%	27.4%	25.1%	23.7%	23.6%
Supplies and services	17.7%	17.5%	20.4%	22.2%	22.0%
Amortization	12.7%	1.2%	11.3%	11.1%	12.8%
Travel and accommodation	3.5%	3.7%	3.9%	4.7%	4.4%
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Δεξιά: 31-12-1991

Ποσότητες: Δεξιά: 31-12-1991

