

**PUBLIC UTILITIES BOARD
OF THE NORTHWEST TERRITORIES**

ANNUAL REPORT

**For the year ending
December 31, 2012**

TABLE OF CONTENTS

MINISTER'S LETTER.....	i
CHAIRPERSON'S LETTER.....	ii
PUBLIC UTILITIES BOARD OF THE NORTHWEST TERRITORIES	1
REGULATORY JURISDICTION	2
UTILITY REGULATION	3
2012 HIGHLIGHTS	4
A LOOK AHEAD	7
SUMMARY OF 2012 BOARD DECISIONS	8
REQUEST FOR ADVICE BY MINISTER RESPONSIBLE FOR THE BOARD	22



Northwest
Territories

Minister Responsible for the Public Utilities Board

THE HONOURABLE GEORGE TUCCARO
COMMISSIONER OF THE NORTHWEST TERRITORIES

FEB 28 2013

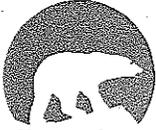
Public Utilities Board Annual Report

I am submitting the Annual Report of the Public Utilities Board of the Northwest Territories for the calendar year ending December 31, 2012.

A handwritten signature in black ink, appearing to read 'Glen Abernethy', written over a horizontal line.

Glen Abernethy

Attachment



Northwest
Territories Public Utilities Board

February 21, 2013

The Honourable Glen Abernethy
Minister Responsible for the
Public Utilities Board of the Northwest Territories

Dear Minister Abernethy:

I am pleased to submit the Annual Report of the Public Utilities Board of the Northwest Territories for the calendar year ending December 31, 2012, in accordance with the provisions of Section 16. (1) of the *Public Utilities Act*.

Yours truly,

Joe Acorn
Chairperson

PUBLIC UTILITIES BOARD OF THE NORTHWEST TERRITORIES

Mandate

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

Board Organization

The Board consists of a part time Chairperson and four part time members. The position of Chairperson has been part time since April 1, 2001. The Board Secretary, who reports to the part time Chairperson, administers the office. As the chief executive officer, the Chairperson presides over sittings of the Board and supervises Board employees.

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

The Minister Responsible for the Board, upon the recommendation of the Executive Council, appoints members of the Board. At the end of 2012, the Board consisted of the following persons:

Chairperson	Joe Acorn, Yellowknife, Northwest Territories
Vice-Chairperson	Sandra Jaque, Fort Smith, Northwest Territories
Member	William Koe, Fort McPherson, Northwest Territories
Member	Jake Heron, Fort Smith, Northwest Territories

The Board was assisted by:

Board Secretary	Louise Larocque, Hay River, Northwest Territories
Legal Counsel	John Donihee, McLennan Ross, Calgary, Alberta
Consultant	Raj Retnanandan, Energy Management & Regulatory Consulting Ltd., Calgary, Alberta

REGULATORY JURISDICTION

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

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

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

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

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

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

Aadrii Ltd.
Head Office: Yellowknife, Northwest Territories

Inuvik Gas Ltd.
Head Office: Inuvik, Northwest Territories

UTILITY REGULATION

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

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

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

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

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

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

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

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

2012 HIGHLIGHTS

Northland Utilities (NWT) Limited (“NUL NWT”)

2011 to 2013 Phase 2 GRA

The Board held a hearing on the Phase 2 GRA on November 28 and 29, 2011 in Yellowknife. The Board issued a decision on the Phase 2 GRA, on March 12, 2012. The Board set out its findings with respect to the issues raised during the proceedings and directed NUL NWT to file its compliance filing in accordance with the findings and directions, within 60 days of the decision. NUL NWT submitted the Phase 2 GRA Compliance Filing in response to the directions in the Board’s decision. The Board issued a decision approving NUL NWT Rate Schedules, Riders and Terms and Conditions of Service, effective July 1, 2012.

Northwest Territories Power Corporation (“NTPC”)

2012 to 2014 GRA

By letter dated March 23, 2012, NTPC submitted to the Board its GRA. The GRA outlined forecast costs for providing electricity service for the 2012/13 and 2013/14 fiscal years. NTPC stated that the GRA incorporated materials in support of both Revenue Requirements and rate proposals, which in the past have typically been reviewed separately as Phase 1 and Phase 2 components of each GRA. NTPC stated that this approach reflects the benefits and simplifications made possible by the 2010 Electricity Rate Policy Guidelines, and intended to both expedite and reduce the overall cost to customers of a full GRA process. The Board held a hearing on September 27 and 28, 2012 in Yellowknife. The Board will be issuing a decision on the GRA early in 2013.

Inuvik Gas Engines Conversion to Diesel Fuel

On August 17, 2012, NTPC filed an application to the Board for approval of a major capital project permit respecting to the conversion of natural gas engines supplying power to the Town of Inuvik, to diesel fuel use. NTPC stated that the project is being undertaken on an expedited basis to ensure that a full complement of diesel generation units is available as soon as possible after the gas supply fully terminates, expected in early 2013. The Board issued a decision, which approved the project permit in the amount of \$7.7 million.

NTPC Franchise Application for Pine Point Area

By letter dated March 6, 2012, NTPC submitted an application under Section 41(1) of *the Act* to the Minister Responsible for the Public Utilities Board, Honourable Glen Abernethy. The application was for a ten year, exclusive electric utility franchise to generate, distribute and sell electrical energy to potential mining customers, excluding any franchises within this area that have already been granted. The Minister had requested the Board's advice on the application under Section 13.1(1) of *the Act*. The Board conducted a public review of the application. The Board's report and advice was submitted to the Minister in confidence in accordance with Section 13.1(2) of the *Act*. By letter dated October 24, 2012, the Minister advised the Board that NTPC subsequently proposed revised franchise coordinates for a smaller area and stated that pursuant to Section 41 (2)(a), he had granted NTPC a ten year exclusive electrical utility franchise.

Inuvik Gas Ltd. ("IGL")

Application for Amendments to the Terms and Conditions of Service ("T&Cs") – Government of the NWT ("GNWT") and NWT Housing Corporation ("NWTHC")

IGL filed an application, on August 1, 2012, with the Board for approval of amendments to its T&Cs to facilitate the distribution of synthetic natural gas ("SNG") to meet the forecast needs of the GNWT and NWTHC, under a Special Contract dated July 18, 2012. The Special Contract was agreed to between IGL, GNWT and NWTHC to address conservation of remaining reserves from the Ikhil pool. The Town of Inuvik ("**Inuvik**") has signed a letter agreement, amending the existing franchise agreement dated December 1, 1997, to enable supply of SNG. IGL has proposed amendments to the T&Cs to create a rate and to allow delivery of SNG to the GNWT and NWTHC. The Board issued a decision approving the T&Cs for IGL, effective August 1, 2012.

Application for Amendments to the Terms and Conditions of Service and Amended Rates – Residential and General Service Customers

By letter dated November 15, 2012, IGL filed an Application with the Board for approval of further amendments to IGL's T&Cs to facilitate the distribution of SNG to IGL's Residential Service and General Service Customers and to provide notice of amended rates for such customers. IGL stated that this Application and notice is the next step being taken by IGL to address the impending depletion of natural gas reserves from the Ikhil pool in its attempt to provide continued gas supply to the Town of Inuvik. IGL stated that this Application is being made on an urgent basis and with the full support of the Town of Inuvik.

The Board issued a decision which approved the reduction in the notice of rate changes period from 60 days to 30 days for the interim rates and approved the amended residential and general service rates on an interim and refundable basis, effective January 1, 2013. Unless otherwise directed by the Board, the interim and refundable rates will be final rates as of February 1, 2013. The Board also approved the changes to the T&Cs that would enable supply of SNG to residential and general service customers as submitted on November 26, 2012.

Other Matters

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

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

A LOOK AHEAD

2013 will be a quieter year for the Board in terms of General Rate Applications. The Board does not expect to see any GRAs from NUL NWT or NUL YK and will be finishing the NTPC GRA early in 2013. As well, with the 2012 decisions on Inuvik Gas, the Board might not see any further applications from IGL in 2013.

With the break in GRAs, 2013 will be an opportune time for the Board to take care of some administrative-type proceedings. The Board intends to formalize its cost recovery guidelines. The Board is also currently engaged in a review of electricity reliability in the City of Yellowknife which may include the setting of electricity reliability standards. Although not yet determined, there may be opportunities to expand that review into a more comprehensive set of electricity reliability standards for all of the NWT.

A major initiative of the Board in 2013 will be the development of Minimum Filing Guidelines to be used by NTPC, NUL NWT and NUL YK in preparing their GRAs. The Board expects to initiate that process in March 2013.

SUMMARY OF 2012 BOARD DECISIONS

DECISION 1-2012

January 18, 2012

Application:

By letter dated December 30, 2011, Northland Utilities (Yellowknife) Limited (“**NUL YK**”) stated that upon conducting the work necessary for the testing and implementation of NUL YK’s rates for billing effective January 1, 2012, NUL YK has identified a clerical error pertaining to the charge set out in the 25 kV Deferral Account Rider Rate Schedule (“**Rider T**”). The Rider T, as filed, incorrectly set out the rate of -0.951%, whereas it should set out the rate of -0.524%. NUL YK stated that the correction is necessary to bring the Rider T in line with the Decision and to achieve the intent of the approved Negotiated Settlement Agreement.

In a letter to all interested parties, dated January 9, 2012, the Board requested comments, if any, by January 12, 2012 in regards to the Rider T correction. The City of Yellowknife (“**the City**”), by email dated January 12, 2012, stated that it was satisfied with the explanation provided by NUL YK and supports the proposal that NUL YK makes in its December 30, 2011 letter.

Order:

The Board reviewed the schedules and information provided by NUL YK. The Board approved NUL YK’s proposal to leave Rider T at the rate of -0.951% on an interim refundable basis effective January 1, 2012 and the correction of the Rider T rate to -0.524% on a final basis effective February 1, 2012.

DECISION 2-2012

January 18, 2012

Application:

By letter dated January 6, 2012, the counsel for the City, Mr. Thomas D. Marriott, made an application to the Board for intervener costs with respect to NUL YK’s Phase 1 GRA Compliance Filing, in an amount of \$1,269.62.

By letter dated January 12, 2012, NUL YK stated that they had reviewed the City’s submission and found the costs submitted reasonable in the manner of time and services provided and rates charged did not exceed cap rates outlined in Decision 25-2008.

Order:

The Board awarded costs in the amount of \$1,269.62 to the City.

DECISION 3-2012

January 20, 2012

Application:

By letter dated December 13, 2011, the counsel for the City, Mr. Thomas D. Marriott, made an application to the Board for intervener costs with respect to NTPC's Refined Project Cost Forecast and Economic Analysis with respect to the Bluefish Lake Dam Replacement Project, in an amount of \$1,236.28.

By letter dated December 19, 2011, NTPC stated that they had no comments in regards to the intervener's cost claim.

Order:

The Board awarded costs in the amount of \$1,236.28 to the City.

DECISION 4-2012

February 21, 2012

Application:

By letter dated February 8, 2012, NUL NWT filed an application to adjust the existing Diesel Generation Rider (Rider I) for the Town of Hay River ("Hay River")

Order:

The Board reviewed the schedules and information provided by NUL NWT and approved the rate rider, effective March 1, 2012.

DECISION 5-2012

March 12, 2012

Application:

By letter dated June 29, 2011, NUL NWT filed its Phase 2 GRA with the Board with respect to the test period 2011 to 2013.

The Board held a hearing in the City of Yellowknife on November 28, and 29, 2011.

Order:

The Board directed NUL NWT to file its Phase 2 Compliance Filing in accordance with the findings and directions in this Decision within 60 days of the date of this Decision.

DECISION 6-2012

March 12, 2012

Application:

By letter dated February 9, 2012, the counsel for the City, Mr. Thomas D. Marriott, made an application to the Board for intervener costs with respect to NUL YK's Phase 2 GRA and the Rider T correction application, in an amount of \$27,328.16.

By letter dated February 24, 2012, NUL YK stated that they had reviewed the City's submission and found the costs submitted reasonable in the manner of time and services provided and rates charged to be reasonable. NUL YK is not opposed to the Board awarding the City's cost in full.

Order:

The Board awarded costs in the amount of \$27,328.16 to the City.

DECISION 7-2012

March 12, 2012

Application:

By letter dated February 9, 2012, the counsel for Hay River, Mr. Thomas D. Marriott, made an application to the Board for intervener costs with respect to NUL NWT's Phase 1 GRA, in an amount of \$27,057.38.

Also by letter dated February 13, 2012, Mr. Thomas D. Marriott made an application to the Board for intervener costs with respect to NUL NWT's Phase 1 GRA Compliance Filing, in an amount of \$1,687.50.

By letter dated February 24, 2012, NUL NWT stated that they had reviewed Hay River's submissions and found the costs submitted reasonable.

Order:

The Board awarded costs in the amount of \$28,744.88 to Hay River.

DECISION 8-2012

March 21, 2012

Application:

By letter dated March 9, 2012, NUL NWT filed an application to adjust the existing Fuel Clause Adjustment Rider (Rider A) for the communities of Fort Providence, Dory Point/Kakisa and Trout Lake.

Order:

The Board reviewed the schedules and information provided by NUL NWT and approved the rate rider, effective April 1, 2012.

DECISION 9-2012

April 5, 2012

Application:

By letter dated February 29, 2012, NUL YK made a cost claim application to the Board with respect to the Phase 1 and 2 proceedings, in the amount of \$110,132.47.

None of the interested parties provided any comments or issues with respect to the cost claim.

NUL YK will be allowed to record \$110,132.47 in its hearing cost reserve account and shall be entitled to recover that amount from its ratepayers.

Order:

The Board awarded costs in the amount of \$110,132.47 to NUL YK.

DECISION 10-2012

April 5, 2012

Application:

By letter dated March 15, 2012, the counsel for the Hamlet of Fort Providence ("**Fort Providence**"), Mr. G. Rangi Jeerakathil, made an application to the Board for intervener costs with respect to NUL NWT's Phase 2 GRA, in an amount of \$50,757.84.

By letter dated March 29, 2012, NUL NWT stated that they had reviewed Fort Providence's submission and found the costs submitted reasonable.

Order:

The Board awarded costs in the amount of \$50,757.84 to Fort Providence.

DECISION 11-2012

May 1, 2012

Application:

By letter dated March 23, 2012, NTPC filed its GRA to determine the revenue requirement and rates for the fiscal years 2012/13 and 2013/14. In conjunction with its GRA and as per Section 44 of *the Act*, NTPC also filed an Interim Rate Application ("**IRA**"), effective April 1, 2012. For the 2012/13 test year, NTPC requested approval of final rates that are 7% higher than current rates for all

communities and rate classes except Norman Wells, where 15% energy rate increases is proposed.

By letter, dated March 28, 2012, NTPC stated that it wished to amend its IRA to reduce the requested increase for all customer classes in Norman Wells from 15% to 7%, effective April 1, 2012. This amendment will bring Norman Wells' proposed increases in line with the increases in energy charges sought for all customers in all other communities.

Order:

The Board approved the 7% increase in energy rates, effective May 1, 2012, on an interim refundable basis. All revenues collected by the interim rates are to be tracked by zone and rate class to allow reconciliation and true-up in accordance with the final GRA decision. NTPC is also directed to include any revenue shortfall resulting from delay in implementation of interim rates in its reconciliation of final rates for 2012/13.

The Board directed NTPC to submit, by May 31, 2012 either a final written copy of the funding agreement with the GNWT, or a letter confirming the agreement has been finalized setting out the specific details of the funding arrangement. If necessary, based upon the contents of the funding agreement, NTPC is also to file by May 31st an application to adjust the interim rates for July 1st. In the absence of a final agreement, NTPC is directed to file an application by May 31st to adjust the interim rates for July 1st.

The Board also directed NTPC that GRAs and IRAs are to be filed at least 6 weeks prior to the first day of the first test year.

DECISION 12-2012

May 24, 2012

Application:

By letter dated April 2, 2012, NUL YK submitted a 25 kV Deferral Account Rider Application ("**Rider T**") applicable to customers in the City. Northland stated that in this Application and going forward, in order to reduce potential large swings in the collections or refunds from year-to-year, it is proposing to discontinue the practice of designing Rider T based on an "on-going" and "catch up" component. These were first introduced in the 2008 25 kV Deferral Account Rider Application. Northland proposes to simplify the design by refunding or collecting strictly based on the Rider T deferral account balance at the time of implementation (the "catch up" component only).

NUL YK also submitted an application on May 14, 2012, to the Board requesting approval of an increase in the Purchase Power Cost Adjustment Rider ("**Rider F**") applicable to customers in the City.

Order:

After the review process, NUL YK was directed to refile a Rider T and Rider F application by May 29, 2012 reflecting the following directions:

- NUL is to propose revised Riders T and F that are designed to collect and/or refund the balances in the respective deferral accounts over a reasonable period and to reflect an on-going component for Rider F, following recovery or refund of catch-up amounts. Since the Rider B amounts are recovered on an energy basis the balances in the Rider B and Rider F deferral accounts may be combined for the purposes of determining the refund amounts.
- NUL is to remove the cost of the spare transformer from the 25 kV deferral account.

DECISION 13-2012

May 30, 2012

Application:

By letter dated May 28, 2012, NUL YK submitted its 2011 Deferral Account Application refiling addressing Rider T, B and F for Board approval of the following:

- a) 2011 25 kV Capital deferral account balance refund of \$5,000;
- b) Rider F at \$0.00911 per kWh effective June 1, 2012 and \$0.01097 per kWh effective January 1, 2013; and
- c) Rider T at 1.305% effective June 1, 2012 and 0.000% effective January 1, 2013.

Order:

The Board reviewed the schedules and information provided by NUL YK and approved the rate riders, effective June 1, 2012.

DECISION 14-2012

June 26, 2012

Application:

By letter dated May 11, 2012, NUL NWT submitted the 2011/13 Phase 2 GRA Compliance Filing in response to the directions in Board Decision 5-2012. NUL NWT's Compliance Filing is comprised of:

- i. An updated Cost of Service Study;
- ii. Updated rate and rider designs with corresponding rate schedules; and
- iii. The revised Terms and Conditions of Service.

Final rates for 2011 were addressed in NUL NWT's 2011/13 Phase 1 GRA and were approved in Decision 23-2011, dated December 21, 2011. This Application deals only with final rates for 2012 and 2013.

Order:

Having reviewed the Compliance Filing and the accompanying schedules, the Board approved the Rates Schedules for 2012 and 2013, effective July 1, 2012. The Board approved the Rate Adjustment Rider, Rider J, used for transitioning the thermal communities' rates to a full thermal zone rates by January 1, 2016 and the new Fuel Cost Adjustment Rider, effective July 1, 2012.

The Board also approved the Terms and Conditions of Service as proposed in the compliance filing, effective July 1, 2012.

DECISION 15-2012

July 10, 2012

Application:

By letter dated July 4, 2012, NUL NWT submitted a letter stating that it has identified some inadvertent errors in the Price Schedules of its Phase 2 GRA Compliance Filing.

Order:

After reviewing the corrected Rate Schedules, the Board approved the schedules, effective July 1, 2012.

DECISION 16-2012

July 18, 2012

Application:

By letter dated June 29, 2012, NTPC applied to the Board for approval of a private placement of debentures, in an amount \$25 million. NTPC advised that the Corporation finances its capital expenditures with a combination of short-term debt and internally generated cash. When market conditions are considered appropriate and short-term debt has accumulated to an amount sufficient that the long-term debt to replace it will attract favourable rates, it is replaced by the issuance of long-term debt. As of April 30, 2012, the Corporation's short-term debt was \$18 million. NTPC stated that it uses short term debt only as a bridge to long term financing and has now reached capacity in its operating line such that conversion of the debt to long term is necessary. NTPC will use the long term proceeds to redeem the current short term bank debt. Ongoing operations will be impacted by an inability to access the operating line if the short term debt is not converted as it will be fully utilized in providing bridge financing for long term assets

Order:

After reviewing the application, the Board approved the issuance of a Debenture in the principal amount of \$25 million at a rate not to exceed a spread over the benchmark long Canada bonds of 200 basis points.

DECISION 17-2012

July 20, 2012

Application:

By letter dated June 7, 2012, the counsel for Hay River, Mr. Thomas D. Marriott, made an application to the Board for intervener costs with respect to NUL NWT's Phase 2 GRA, in an amount of \$36,958.87.

By letter dated June 21, 2012, NUL NWT stated that it had reviewed Hay River's application and found the costs submitted reasonable.

Order:

The Board awarded costs in the amount of \$36,958.87 to Hay River.

DECISION 18-2012

August 17, 2012

Application:

By letter dated August 1, 2012, IGL filed an application with the Board for approval of amendments to IGL's T&Cs to facilitate the distribution of SNG to meet the forecast needs of the GNWT and NWT HC over the period April 1, 2012 to March 31, 2013, under a Special Contract dated July 18, 2012.

Order:

The Board accepted IGL's submission that the granting of its requested relief is in the public interest and is necessary and appropriate in light of the impending depletion of natural gas reserves from the Ikhil pool.

The changes to the T&Cs that would enable supply of SNG to GNWT and NWT HC customers under the Special Contract dated July 18, 2012 are approved effective August 1, 2012.

The Board directed IGL to file with the Board, by September 28th, 2012, a report detailing the following:

- The actual and forecast rate of consumption of natural gas by the non-Rate 3 customers;
- The remaining estimated reserves of natural gas;
- The forecast depletion date for the natural gas reserves;
- Any actions undertaken by IGL and/or the GNWT to conserve the natural gas reserves;

- Plans and actions by IGL and/or the GNWT to either add to the existing natural gas reserves connected to the system or to transition Inuvik away from natural gas to other fuel supplies.

The report is to be updated and refiled with the Board by the end of every 3rd month thereafter (i.e. December 2012, March 2013, etc.) until otherwise directed by the Board.

DECISION 19-2012

August 23, 2012

Application:

By letter dated July 24, 2012, the counsel for Fort Providence, Mr. G. Rangī Jeerakathil, made an application to the Board for intervener costs with respect to NUL NWT's Phase 2 GRA Compliance Filing, in an amount of \$4,605.75.

By letter dated August 8, 2012, NUL NWT stated that they had reviewed Fort Providence's submission and found the time and services provided reasonable. However NUL NWT noted that the hourly rate charged by Mr. Jeerakathil of \$375/hour exceeds the legal fees hourly rate cap of \$350/hour that was outlined in Decision 25-2008.

Order:

The Board adjusted the cost claim to reflect an hourly rate cap of \$350/hour for legal fees that was set in Decision 25-2008. The Board awarded costs in the amount of \$4,570.75 to Fort Providence.

DECISION 20-2012

August 23, 2012

Application:

By letter dated July 24, 2012, the counsel for Yellowknife/Hay River, Mr. Thomas D. Marriott, made an application to the Board for intervener costs with respect to NTPC 2012/13 IRA, in an amount of \$13,625.01.

By letter dated August 8, 2012, NTPC stated that they had no comments in regards to the intervener's cost claim.

Order:

The Board awarded costs in the amount of \$13,625.01 to Yellowknife/Hay River.

DECISION 21-2012

August 23, 2012

Application:

By letter dated July 30, 2012, the counsel for TGC, Mr. G. Rangji Jeerakathil, made an application to the Board for intervener costs with respect to NTPC 2012/13 IRA, in an amount of \$5,120.07.

By letter dated August 14, 2012, NTPC stated that they had no comments in regards to the intervener's cost claim.

Order:

The Board adjusted the cost claim to reflect an hourly rate cap of \$350/hour for legal fees that was set in Decision 25-2008. The Board awarded costs in the amount of \$5,090.07 to TGC.

DECISION 22-2012

September 7, 2012

Application:

By letter dated August 17, 2012, NTPC submitted an application to the Board for approval of a project permit, pursuant to Section 54 of the *Act*, for a major capital project permit respecting the conversion of natural gas engines supplying power to the Town of Inuvik, to diesel fuel use. NTPC states that the total cost of the proposed project is estimated at \$7.7 million including overheads and \$0.5 million contingencies.

Order:

The Board approved NTPC's application for a project permit, in the amount of \$7.7 million, for the conversion of natural gas engines supplying power to the town of Inuvik to use diesel fuel.

DECISION 23-2012

September 25, 2012

Application:

By letter dated August 21, 2012, the counsel for the City, Mr. Thomas D. Marriott, made an application to the Board for intervener costs with respect to NUL YK's 2011 Deferral Account and 2011 Deferral Account Refiling, in an amount of \$6,144.77.

The Board, by letter dated August 22, 2012, advised NUL YK of the application for Intervener Costs made on behalf of the City and requested that they provide comment, if any, by September 6, 2012. NUL YK did not provide any comments.

Order:

The Board awarded costs in the amount of \$6,144.77 to the City.

DECISION 24-2012

October 11, 2012

Application:

By letter dated August 21, 2012, the counsel for Hay River, Mr. Thomas D. Marriott, made an application to the Board for intervener costs with respect to NUL NWT's Phase 2 GRA Compliance Filing, in an amount of \$4,272.86.

By letter dated September 28, 2012, advised NUL NWT stated that they had reviewed Hay River submission and had no comments regarding the claim.

Order:

The Board awarded costs in the amount of \$4,272.86 to the City.

DECISION 25-2012

November 5, 2012

Application:

By letter dated October 10, 2012, NUL NWT made a cost claim application to the Board with respect to the Phase 1 and 2 proceedings, in an amount of \$268,180.96.

None of the interested parties provided any comments or issues with respect to the cost claim.

NUL NWT shall be entitled to recover this sum from its customers through the mechanism of the Hearing Costs Deferral Account.

Order:

The Board awarded costs in the amount of \$268,180.96 to NUL NWT.

DECISION 26-2012

November 19, 2012

Application:

In its Application dated October 22, 2012, NUL YK stated that following a review of its 2013 Revenue Adjustment Rider ("**Rider R**") which was approved in Decision 20-2012, it would like to apply for an amendment. NUL YK stated that the approved Rider R rate of 1.209% was calculated using the Net Base Revenue on 2012 Proposed Rates in the amount of \$37,271.2 thousands. NUL YK stated that the base revenue amount was inadvertently calculated using an energy sales forecast of 161,411 MWh from the originally filed 2011-2013 Phase 1 GRA, dated April 21, 2011 rather than 162,306 MWh which was agreed to in

the Settlement compliance filing dated September 23, 2011 and approved in Decision 13-2011.

Order:

The Board reviewed the schedules and information provided by NUL YK and approved Rider R, effective January 1, 2013.

DECISION 27-2012

December 4, 2012

Application:

By letter dated November 19, 2012, NUL NWT applied to the Board for approval to issue a long term debt instrument in the amount of \$400,000, by way of an unsecured debenture with an interest rate of 3.89% to ATCO Electric Ltd.

Order:

After reviewing the application, the Board approved the issuance of the Debenture, in the principal amount of \$400,000 at an interest rate of 3.89% to ATCO Electric Ltd.

DECISION 28-2012

December 4, 2012

Application:

By letter dated November 19, 2012, NUL YK applied to the Board for approval to issue a long term debt instrument in the amount of \$1,100,000, by way of an unsecured debenture with an interest rate of 3.89% to ATCO Electric Ltd.

Order:

After reviewing the application, the Board approved the issuance of the Debenture, in the principal amount of \$1,100,000 at an interest rate of 3.89% to ATCO Electric Ltd.

DECISION 29-2012

December 6, 2012

Application:

By letter dated November 15, 2012, IGL filed an application with the Board for approval of further amendments to IGL's T&Cs to facilitate the distribution of SNG to IGL's Residential Service and General Service Customers and to provide notice of amended rate for such customers. IGL stated that this application and notice is the next step being taken by IGL to address the impending depletion of natural gas reserves from the Ikhil pool in its attempt to provide continued gas supply to the town of Inuvik. IGL stated that this application is being made on an urgent basis and with the full support of Inuvik.

Order:

The Board approved the reduction in the notice of rate change period from 60 days to 30 days for the interim rates, effective January 1, 2013.

The Board approved the November 26th, 2012 amended Residential and General Service Rates on an interim and refundable basis effective January 1st, 2013. Unless otherwise directed by the Board, the interim and refundable rates in effect from January 1st to January 31st, 2013 will be final rates as of February 1st, 2013 and from that date forward.

The Board approved the changes to the T&Cs as submitted on November 26th, 2012, IGL is to provide all customers with notice and a description of these changes through newspaper ads and bill inserts as soon as possible. In these notices emphasis should be placed on explaining the curtailment program.

Upon receipt of this decision, IGL will immediately publish a notice of the amended Residential and General Service Rates in the Inuvik Drum which includes the estimated total rate of \$37/GJ. This notice will include a break-down of the \$37/GJ estimate. This information will also be conveyed to customers through an insert with the first bills issued after the receipt of this Decision. Copies of the newspaper notice and bill inserts are to be provided to the Board.

If upon completion of the propane procurement process, the total rates effective January 1, 2013 differ by greater than plus or minus 5% from the \$37/GJ estimate, then IGL is to repeat the notifications with the finalized total rates. The notification process is to be repeated for any future adjustment to the rates if the differences in the rates in the next month are greater than plus or minus 5% of the rates in the preceding month. Notice is to be given by way of newspaper ads and bill inserts as soon as the price change for an upcoming month is known and no later than 1 week prior to the first day of the month of consumption.

DECISION 30-2012

December 6, 2012

Application:

By letter dated November 30, 2012, NUL NWT filed an application to adjust the Purchase Power Cost Adjustment Rider (Rider F), applicable to the Hydro Rate Zone, effective January 1, 2013.

Order:

The Board reviewed the schedules and information provided by NUL NWT and approved rate rider, effective January 1, 2013.

DECISION 31-2012

December 11, 2012

Application:

By letter dated December 5, 2012, NUL YK filed an application to adjust the Cost Recovery/Refund Rider (Rider H), applicable to all rate classes in the City of Yellowknife, effective January 1, 2013.

Order:

The Board reviewed the schedules and information provided by NUL YK and approved rate rider, effective January 1, 2013.

REQUEST FOR ADVICE BY MINISTER RESPONSIBLE FOR THE BOARD

By letter dated March 6, 2012, NTPC submitted an application under Section 41(1) of *the Act* to the Minister Responsible for the Public Utilities Board, Honourable Glen Abernethy. The application was for a ten year, exclusive electric utility franchise to generate, distribute and sell electrical energy to potential mining customers, excluding any franchises within this area that have already been granted. NTPC stated that it had preliminary discussions with two mining companies that have identified this area for potential mining activity. Although no formal customer agreements were in place, an electric utility franchise was required to facilitate further discussions with proponents. NTPC would supply these potential mining customers from the Taltson Hydro site. NTPC provided documents, in support of its application, showing a map of the area of the proposed franchise and letters of support from the potential mining customers.

The Minister had requested the Board's advice on the application under Section 13.1(1) of the *Act*. The Board conducted a public review of the application. The Board's report and advice was submitted to the Minister in confidence in accordance with Section 13.1(2) of *the Act*.

By letter dated October 24, 2012, the Minister advised the Board that NTPC had subsequently proposed revised franchise coordinates for a smaller area and stated that pursuant to Section 41 (2)(a), he had granted NTPC a ten year exclusive electrical utility franchise.