

DECISION LETTER 001-2015

February 12, 2015

Interested Parties
Northland Utilities Limited (“NUL”)
High Consumption Review

Re: Changes to Customer’s Bill Pursuant to Decision 13-2009

Pursuant to Board Decision 13-2009, the Northwest Territories Public Utilities Board (“**Board**”) received a letter, dated February 4, 2015, NUL requesting approval to make changes to customer’s bill. In Directive 8 of Decision 13-2009, the Board directed Northland to modify the customer’s bill to show cost per kW/h used.

In October 2009, NUL modified its customer’s bill to show cents/kWh and stated the following:

Since that time, Northland has been experiencing approximately 25 calls per month (1550 calls since October 2009) with an average time of 15 minutes spent on each call (approximately 387.5 hours in total) from confused, frustrated and angry customers inquiring about this item on their bill. Specifically customers are confused as to i) why cents/kWh fluctuates every month ii) why cents/kWh tends to decrease when usage increases and vice versa and iii) why cents/kWh varies from customer to customer. This confusion is leading to a misconception that a change in rates does not necessarily have to be approved by the Board, but rather is dictated by Northland based on its needs.

The reason why cents/kWh varies month to month is due to the fact that the total cost includes a fixed charge (customer charge) which does not vary with kWh. As shown in Attachment 2, a customer who uses more power, the fixed charge is spread over a larger kWh usage resulting in lower cents/kWh compared to a customer who uses less power, the fixed charge is spread over a smaller kWh usage resulting in a higher cents/kWh.

Northland Utilities explored the option of excluding the fixed charge from the cents/kWh calculation which should theoretically result in a more stable cents/kWh regardless of the change in consumption. However, this could create more confusion to certain low income customers that are currently benefitting from special subsidies as in situations where the bills of these customers (net of subsidy) are lower than the current fixed charge (\$18). In these cases, excluding the fixed charge from the calculation will result in a negative cents/kWh.

In an effort to minimize customer confusion, reduce the number of inquiries and to standardize billing to match information provided on NTPC's customer's bill, Northland is requesting the following changes to its bill:

1. Remove the current box showing total cents/kWh
2. Add a line which shows the calculation of energy costs and
3. Include website link to the online bill calculator which will assist customers interested in a more detailed calculation of their bill.

The Board accepts NUL's request to modify the current customer's bill to reflect the changes stated above.

Yours truly,

A handwritten signature in blue ink, appearing to read "Gordon Van Tighem", with a long horizontal flourish extending to the right.

Gordon Van Tighem
Chairman