

**THE PUBLIC UTILITIES BOARD
OF THE
NORTHWEST TERRITORIES**

DECISION 14-2015

NOVEMBER 18, 2015

IN THE MATTER OF the Public Utilities Act, being Chapter 110 of the Revised Statutes of the Northwest Territories, 1988(Supp.), as amended.

AND IN THE MATTER OF an application by Northland Utilities (Yellowknife) Limited for changes in the existing rates, tolls and charges for electrical energy and related services provided by Northland Utilities (Yellowknife) Limited to its customers through an adjustment to the Purchase Power Cost Adjustment Rider (Rider F).

THE PUBLIC UTILITIES BOARD

BOARD MEMBERS

Gordon Van Tighem	Chairman
Sandra Jaque	Vice-Chairman
Lorraine Tremblay	Member

BOARD STAFF

Louise Larocque	Board Secretary
Raj Retnanandan	Board Consultant
Ayanna Catlyn	Board Counsel

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1. BACKGROUND

The Purchase Power Cost Adjustment Rider ("**Rider F**"), is a flow-through rider designed to reflect changes in purchase power costs charged to Northland Utilities (Yellowknife) Limited ("**Northland**") by the Northwest Territories Power Corporation ("**NTPC**") adjusted for line losses. The purchase power costs and recoveries by way of Rider F are reconciled through a deferral account.

In Decision 16-2011 dated October 25, 2011, the Board approved Northland's base rates effective January 1, 2012. The base rates were designed to recover purchase power costs at a rate of \$0.1497 per kWh, which was the rate in effect at the time of Northland's 2011-2013 Phase I and II General Rate Application.

The Board has approved subsequent Rider F increases in Decision 13-2012, 5-2013, 5-2014, 7-2014 and 10-2015 (resulting from the flow through of NTPC's adjustments to their wholesale rates approved in Decisions 11-2012, 4-2013, 3-2014, 6-2014 and 8-2015 respectively).

2. APPLICATION

By letter dated November 5, 2015, Northland filed an application requesting approval of an adjustment to Rider F, applicable to the City of Yellowknife customers, effective December 1, 2015.

In Letter Decision 002-2015, the Board approved NTPC's request for termination of their \$0.0117 per kWh Rate Stabilization Fuel Rider on October 31, 2015. The approval in the letter Decision is confirmed in concurrent Decision 13-2015. Northland stated that using the loss factor of 4.5% approved in Decision 16-2011, a decrease of \$0.0122 per kWh is required to flow through this change to Northland's purchase power costs.

As of October 31, 2015, Northland's Rider F balance was \$216,281 under-collected. Northland stated that due to the one-month lag between NTPC's termination of the Rate Stabilization Fuel Rider and Northland's proposed adjustment to Rider F effective December 1st, the under-collected balance would be reduced to \$17,945 by November 30, 2015. The resulting increase to Rider F to recover this under-collected balance is \$0.0001 per kWh over the collection period from December 1, 2015 to November 30, 2016.

To flow through NTPC's rate reduction and to true up the Rider F balance, Northland requested approval to decrease Rider F from \$0.0586 to \$0.0444 per kWh, effective December 1, 2015.

Northland indicated it will apply for future adjustments to Rider F under the following circumstances:

- Northland's base rates are revised to include relevant Purchase Power cost changes following a Phase II application and decision; or
- NTPC receives approval for further adjustments to their Snare Zone Wholesale rates or riders; or
- Northland has recovered the under-collection balance pertaining to the adjustment portion of Rider F.

Northland provided the impacts of the proposed Rider F changes on Residential and General Service customers' monthly bills as shown in Table 1 below. The Residential bill impact has been determined using a monthly consumption of 600 kWh. The General Service bill impact has been determined using a monthly consumption of 1,000 kWh and a demand of 5 kW. Dollar amounts reported include all riders and franchise taxes but exclude GST.

Table 1: Customer Bill Impacts

Yellowknife Bill Impact		
Rate Class	Change	
	(\$)	(%)
Residential	-\$ 8.71	-4.3%
General Service	-\$14.52	-4.8%

3. DECISION

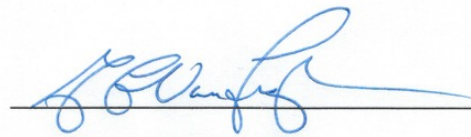
The application was triggered by a decrease in NTPC's wholesale rate for supply to Northland. The NTPC wholesale rate decrease impacts Northland's purchased power costs and therefore the Board considers it appropriate to reflect the decrease in wholesale supply costs in the retail rates for Northland by way of Rider F. The Board has reviewed the schedules and information provided by Northland and approves the rate rider attached hereto as Appendix 1, effective December 1, 2015.

4. BOARD ORDER

NOW THEREFORE, IT IS ORDERED THAT:

1. Northland Utilities (Yellowknife) Limited's Rate Rider F, attached hereto as Appendix 1, is approved, effective December 1, 2015.
2. Nothing in this Decision and order shall bind, affect or prejudice the Board in its consideration of any other matter or question relating to Northland Utilities (Yellowknife) Limited.

**ON BEHALF OF THE
PUBLIC UTILITIES BOARD
OF THE NORTHWEST TERRITORIES**



**Gordon Van Tighem
Chairman**

Dated November 18, 2015

FOLLOWING IS

APPENDIX 1

ATTACHED TO AND FORMING PART OF

THE PUBLIC UTILITIES BOARD

OF THE NORTHWEST TERRITORIES

DECISION 14- 2015

DATED November 18, 2015



Purchase Power Cost Adjustment Rider (Rider F)

Applicable

- Rider F is applicable to all rate classes defined by the Company for services provided in the City of Yellowknife when a charge or refund is approved by the Board.

Rates

- The surcharge will be applied to all energy consumption as follows:

\$0.0444 / kW.h