

April 30, 2020

Mr. Gordon Van Tighem, Chair
Northwest Territories Public Utilities Board
203 - 62 Woodland Drive
Box 4211
Hay River, NT X0E 1G1

**Attention: Mr. Gordon Van Tighem,
Board Chairman**

Dear Sir:

**Re: Northland Utilities (Yellowknife) Limited (“Northland”)
Annual Report of Finances and Operations**

Pursuant to the NWT Public Utilities Act, please find attached the 2019 Annual Report of Finances and Operations for Northland Utilities (Yellowknife) Limited (Northland). This report is consistent with the format and content for a Report of Finance Operations as approved by the Board in Decision 13-2014 regarding the Standardized System of Accounts and General Rate Application Minimum Filing Requirements for Electric Utilities operating in the Northwest Territories.

A copy of Northland’s 2019 audited financial statements is also included.

If you have any questions, please contact me at chris.cullingham@atco.com.

Yours truly,

Chris Cullingham
Manager, Regulatory

Enclosure

cc: D. Tenney, Vice President, Northern Development
D. Smith, Manager, Northland Utilities (Yellowknife) Limited

Northland Utilities (NUY) Limited
Annual Filing for the Year Ended December 31, 2019
Total Tariff Sales and Revenue

Line No.	Description	2018 Actual	2019 Actual
1	Residential		
2	Customers (average during year)	7,566	7,572
3	Sales in MWh	52,523	51,951
4	MWh sales per customer	6.9	6.9
5	Revenue (\$000s)	17,782	17,714
6	Cents per KWh	33.85	34.10
7	Commercial		
8	Customers (average during year)	1,328	1,333
9	Sales in MWh	102,585	103,164
10	MWh sales per customer	77.3	77.4
11	Revenue (\$000s)	28,715	29,300
12	Cents per KWh	27.99	28.40
13	Street Lights		
14	Sales in MWh	727	739
15	Revenue (\$000s)	868	885
16	Cents per KWh	119.40	119.65
17	Space Lights		
18	Sales in MWh	84	78
19	Revenue (\$000s)	39	37
20	Cents per KWh	47.07	47.69
21	Total Company		
22	Customers	8,893	8,905
23	Sales in MWh	155,919	155,933
24	Revenue (\$000s)	47,404	47,936
25	Cents per KWh	30.40	30.74
26	Retail Revenues	47,404	47,936
27	Rate Decrease from Existing Rates	-	-
28		47,404	47,936

Northland Utilities (NUY) Limited
Annual Filing for the Year Ended December 31, 2019
Revenue Requirement and ROE Reconciliation
(\$000s)

Line No.	Description	2018 Actual	2019 Actual
1	Revenues		
2	Retail revenues	47,404	47,936
3	Other revenue	644	627
4	Total Revenues	<u>48,048</u>	<u>48,563</u>
5			
6	Costs		
7	Purchase power	36,969	37,932
8	Operations and maintenance	3,297	3,417
9	Franchise taxes	1,300	1,077
10	Property taxes	74	83
11	Depreciation	2,985	2,908
12	Amortization of contributions	(212)	(223)
13	Amortization of deferred costs/credits	(193)	(193)
14	Income taxes	542	409
15	Sub total	<u>44,762</u>	<u>45,410</u>
16			
17	Less:		
18	Long-term debt interest	1,220	1,198
19	Interest on deposits	3	3
20	Sub total	<u>1,223</u>	<u>1,201</u>
21			
22	Regulatory Earnings	2,063	1,952
23			
24	Revenue Requirement	<u><u>48,048</u></u>	<u><u>48,563</u></u>
25			
26			
27	Common Equity Rate Base	19,047	18,965
28			
29	Return on Common Equity	10.83%	10.29%

Northland Utilities (NUY) Limited
Annual Filing for the Year Ended December 31, 2019
Total Operations and Maintenance Expenses
(\$000s)

Line No.	Description	2018	2019		
		Actual	Actual	Variance	
1	Distribution	731	881	(150)	L.14
2	General	170	169	1	
3	Public Information	109	142	(33)	
4	Billing & Customer Accounting	809	845	(36)	
5	Corporate	1,500	1,397	103	L.16
6		<u>3,319</u>	<u>3,434</u>	<u>(115)</u>	
7	<u>Less:</u>				
8	Donations in account 70150/72100	<u>(22)</u>	<u>(17)</u>	<u>(5)</u>	
9					
10	Total operations and maintenance expenses	<u>3,297</u>	<u>3,417</u>	<u>(120)</u>	
11					
12	<u>Variance > \$50:</u>				
13					
14	Distribution - Costs are higher mainly due to increase in maintenance of lines and substations as well as HPS street light maintenance work.				
15					
16	Corporate - Costs are lower mainly due to decreased bank fees on credit card charges.				

Northland Utilities (NUY) Limited
Annual Filing for the Year Ended December 31, 2019
Plant Amortization Expense
(\$000s)

Line No.	Description	2018 Actual	2019 Actual
1	General Provision	2,975	2,917
2	Amortization of Differences	55	55
3	Vehicle Depreciation Capitalized	<u>(45)</u>	<u>(64)</u>
4	Total Depreciation Expense	<u>2,985</u>	<u>2,908</u>

Northland Utilities (NUY) Limited
Annual Filing for the Year Ended December 31, 2019
Return on Rate Base
(\$000s)

Line No.	Description	Mid-Year Balance	Ratio	Mid-Year Rate Base	Mid-Year Cost Rate	Return
1	<u>2018 Actual</u>					
2	Long Term Debt	25,363	55.89%	24,928	4.90%	1,220
3	Common Stock	19,379	42.71%	19,047	10.83%	2,063
4	Customer Deposits	532	1.17%	523	0.50%	3
5	No Cost Capital	103	0.23%	101	0.00%	-
6	Total	<u>45,377</u>	<u>100%</u>	<u>44,599</u>	<u>7.37%</u>	<u>3,286</u>
7	<u>2019 Actual</u>					
8	Long Term Debt	24,713	55.67%	24,667	4.85%	1,198
9	Common Stock	19,001	42.80%	18,965	10.29%	1,952
10	Customer Deposits	573	1.29%	572	0.50%	3
11	No Cost Capital	103	0.23%	103	0.00%	-
12	Total	<u>44,390</u>	<u>100%</u>	<u>44,307</u>	<u>7.12%</u>	<u>3,153</u>

Northland Utilities (NUY) Limited
Annual Filing for the Year Ended December 31, 2019
Mid-Year Capitalization Continuity
(\$000s)

Line No.		<u>2018</u> Actual	<u>2019</u> Actual
1	Common Equity		
2	Opening Balance	19,139	19,619
3	Shares Issue	-	-
4	Net Income	2,080	1,964
5	Less: Dividends	<u>(1,600)</u>	<u>(3,200)</u>
6	Closing Balance	<u>19,619</u>	<u>18,383</u>
7	Mid-Year Balance	19,379	19,001
8			
9	Debt- Long Term		
10	Opening Balance	25,363	25,363
11	Issue	-	200
12	Repayment	<u>-</u>	<u>(1,500)</u>
13	Closing Balance	<u>25,363</u>	<u>24,063</u>
14	Mid-Year Balance	25,363	24,713
15			
16	Customer Deposits		
17	Opening Balance	529	535
18	Additions	65	207
19	Payments	<u>(59)</u>	<u>(131)</u>
20	Closing Balance	<u>535</u>	<u>611</u>
21	Mid-Year Balance	532	573
22			
23	No Cost Capital		
24	Mid-Year Balance	103	103
25			
26	Total Mid-Year Capitalization	<u>45,376</u>	<u>44,390</u>

Northland Utilities (NUY) Limited
Annual Filing for the Year Ended December 31, 2019
Income Tax Expense
(\$000s)

Line No.	Description	2018 Actual	2019 Actual
1	Utility Earnings Before Tax	2,605	2,361
2	Add : AFUDC	37	11
3		<u>2,642</u>	<u>2,372</u>
4	Add:		
5	Depreciation	2,985	2,908
6	Amortization of Contributions	(212)	(223)
7	Non-allowable Expenses	15	8
8	Plant Maintenance Reserve Amortization	-	-
9	Rate Case Write-off	(418)	(418)
10	Injuries & Damages Write-off	225	225
11	Charges to Deferred Pension	70	78
12	Sub-total	<u>2,665</u>	<u>2,578</u>
13	Deduct:		
14	CCA	2,515	2,589
15	Rate Case Expenditure	8	-
16	Reserves for Injuries & Damages	-	-
17	Pension Payments	122	120
18	CEC	-	-
19	Dismantling Costs	115	198
20	AFUDC	37	11
21	ES&G	325	353
22	Stock Handling	108	115
23	Sub-total	<u>3,230</u>	<u>3,386</u>
24	Taxable Income	2,077	1,564
25	Tax Rate	26.50%	26.50%
26	Other Adjustments	(8)	(5)
27	Income Tax	<u><u>542</u></u>	<u><u>409</u></u>

Northland Utilities (NUY) Limited
Annual Filing for the Year Ended December 31, 2019
Rate Base Calculation
(\$000s)

Line No.	Description	2018 Actual	2019 Actual
1	Property, Plant and Equipment		
2	Year End Balance	83,265	83,783
3	Deduct:		
4	Accumulated Depreciation	34,083	35,594
5	Construction-in-Progress	196	63
6	Total Deductions	<u>34,279</u>	<u>35,657</u>
7	Net Plant in Service		
8	Current Year End Balance	48,987	48,126
9	Previous Year End Balance	49,227	48,987
10	Total	<u>98,214</u>	<u>97,113</u>
11	Mid-Year Balance	49,107	48,556
12	Mid-year Rate Deferred Charges/Credits	110	306
13	Working Capital	<u>922</u>	<u>1,202</u>
14	Gross Rate Base	50,139	50,064
15	Deduct:		
16	Contributions for Extensions		
17	Current Year-End Balance	5,737	5,776
18	Previous Year-End Balance	5,342	5,737
19	Total	<u>11,079</u>	<u>11,513</u>
20	Mid-Year Balance	<u>5,540</u>	<u>5,757</u>
21	Net Rate Base	<u><u>44,599</u></u>	<u><u>44,307</u></u>

Northland Utilities (NUY) Limited
 Annual Filing for the Year Ended December 31, 2019
 CWIP Continuity
 (\$000)

Line No.	Description	2018				2019		
		Opening Balance	Capital Expend	Capital Adds	Closing Balance	Capital Expend	Capital Adds	Closing Balance
1	New Extension							
2	BWO 1 PHASE RESIDENTIAL UNDERGROUND SERVICE	-	25	(25)	-	3	(3)	-
3	STANTON HOSPITAL EXPANSION	-	101	(101)	-	(11)	11	-
4	ENGLE PHASE 2	296	182	(478)	-	-	-	-
5	ENGLE DOG KENNELS	50	30	(80)	-	-	-	-
6	ACES CRUSHER XMER UPGRA	-	33	(33)	-	-	-	-
7	YK MOTORS GMC	-	52	(52)	-	-	-	-
8	CON MINE C1 SHAFT	-	66	(66)	-	1	(1)	-
9	NIVEN PH5 CITY	-	68	-	68	133	(200)	-
10	CJ CONTRACTING	-	-	-	-	47	(47)	-
11	MERLIN RD UPGRADE	-	-	-	-	27	(27)	-
12	BARTHAM MOTEL - SYSTEM	(4)	(19)	23	-	-	-	-
13	OTHER PROJECTS LESS THAN \$20,000	2	90	(83)	10	90	(75)	24
14	New Extension Total	344	628	(894)	77	290	(343)	24
15	Distribution							
16	COOPER VFI	245	25	(270)	-	-	-	-
17	UG FAULT INDICATORS	23	3	(26)	-	-	-	-
18	MODEL UPDATES	31	3	(34)	-	-	-	-
19	SWITCHES & BIRD PROTECT	44	(4)	(40)	-	-	-	-
20	500 SUB METERING	1	41	(42)	-	-	-	-
21	NIVEN RELAY UPGRADE	-	34	(34)	-	7	(7)	-
22	SWITCHES & BIRD PROTECT	-	38	(38)	-	(3)	3	-
23	KAM LAKE CLEARANCE	-	77	(77)	-	(7)	7	-
24	LINE MARKING	-	41	(41)	-	-	-	-
25	2018 POLE TEST & TREAT	-	33	(33)	-	-	-	-
26	2018 POLE CHANGES	-	64	(64)	-	3	(3)	-
27	TWO FEED RISERS	-	26	(26)	-	(0)	0	-
28	LINE MARKING - PHASE 2 - FLOAT BASE	-	-	-	-	35	(35)	-
29	KAM LAKE CLEARANCE - PHASE 2	-	-	-	-	50	(50)	-
30	NORTHLAND TRAILER PARK CONDUIT ISSUE - PHASE 1	-	-	-	-	44	(44)	-
31	NK 1006277 2019 FEEDER PROTECTION	-	-	-	-	35	(35)	-
32	NORTHLAND TRAILER PARK CONDUIT ISSUE - PHASE 2	-	-	-	-	106	(106)	-
33	2019 POLE CHANGE	-	-	-	-	116	(116)	-
34	MCDONALD DRIVE SECONDARY	-	-	-	-	28	(28)	-
35	2019 - POLE TEST AND TREAT	-	-	-	-	32	(32)	-
36	TWO FEED RISER - PHASE 2 - BUTLER CONDOS	-	-	-	-	36	(36)	-
37	MCNIVEN CABLE REPLACEMENT	-	-	-	-	22	(22)	-
38	BROMLEY PEDS	-	3	-	3	21	(25)	-
39	OTHER PROJECTS LESS THAN \$20,000	5	72	(50)	28	36	(28)	35
40	Distribution Total	349	455	(773)	31	559	(555)	35
41	Street & Sentinel Lights							
42	ST LTS WILLIAMS AVE	72	29	(101)	-	-	-	-
43	ST LTS FRANKLIN AVE	50	210	(260)	-	19	(19)	-
44	2016 LED STREET LIGHTS	-	(386)	386	-	-	-	-
45	BUTLER PEDESTALS	34	(1)	(33)	-	-	-	-
46	ST LT NIVEN PHASE 5	1	27	(28)	-	23	(23)	-
47	ST LTS ENGLE PHASE 2	19	76	(95)	-	-	-	-
48	ST LTS ENGLE DOG KENNEL	6	28	(34)	-	-	-	-
49	ST LTS DAGENAIS	-	117	(117)	-	21	(21)	-
50	ST LTS NORSEMAN DRIVE T	-	38	(38)	-	1	(1)	-
51	ST LTS POST TOP LED	-	382	(382)	-	-	-	-
52	ST LTS DAGENAIS DRIVE PART 2	-	-	-	-	171	(171)	-
53	ST LTS OAR - PHASE 1	-	-	-	-	149	(149)	-
54	ST LTS 49 STREET	-	-	-	-	54	(54)	-
55	ST LTS FORREST DRIVE	-	-	-	-	46	(46)	-
56	SMART CITIES LIGHTING	-	0	-	0	29	(30)	-
57	ST LT 2018 REPLACEMENTS	-	14	-	14	14	(28)	-
58	OTHER PROJECTS LESS THAN \$20,000	(3)	93	(87)	3	27	(30)	0
59	Street & Sentinel Lights Total	179	628	(789)	17	554	(571)	0

Northland Utilities (NUY) Limited
Annual Filing for the Year Ended December 31, 2019
CWIP Continuity
(\$000)

Line No.	Description	2018				2019		
		Opening Balance	Capital Expend	Capital Adds	Closing Balance	Capital Expend	Capital Adds	Closing Balance
60	Meters							
61	CAPITAL METER ADDS	-	(3)	3	-	30	(30)	-
62	Meters Total	-	(3)	3	-	30	(30)	-
63	Transformers							
64	REPLACE BURNT OUT TRANSFORMERS	-	24	(24)	-	30	(30)	-
65	SALE OF 1.5MVA STEP DOW	52	(8)	(44)	-	-	-	-
66	Transformers Total	52	15	(67)	-	30	(30)	-
67	Tools, Instruments & Equipment							
68	GENERAL PROPERTY & EQUIPMENT	-	20	(20)	-	4	(4)	-
69	2019 BWO GP&E TOOLS	-	-	-	-	23	(23)	-
70	Tools, Instruments & Equipment Total	-	20	(20)	-	27	(27)	-
71	Office Furniture & Equipment							
72	OFFICE FURNITURE	-	-	-	-	-	-	-
73	2019 BWO GP&E FURNITURE & EQUIPMENT	-	-	-	-	3	(3)	-
74	Office Furniture & Equipment Total	-	-	-	-	3	(3)	-
75	Office Computer Software							
76	ORACLE UPGRADE	20	21	(41)	-	-	-	-
77	MY ACCOUNT	-	6	-	6	107	(113)	-
78	FLEET MAXIMO	-	3	-	3	1	-	3
79	Office Computer Software Total	20	30	(41)	9	107	(113)	3
80	Transportation Equipment							
81	2018 DODGE RAM 2500	-	41	(41)	-	-	-	-
82	REFURBISH 1122 DIGGER	-	38	-	38	46	(84)	-
83	REPLACE UNIT 1129	-	23	-	23	14	(37)	-
84	PURCHASE UNIT 1150 - REPLACE UNIT 1130	-	-	-	-	45	(45)	-
85	PURCHASE UNIT 1151 - REPLACE UNIT 1131	-	-	-	-	42	(42)	-
86	OTHER PROJECTS LESS THAN \$20,000	11	(0)	(11)	-	-	-	-
87	Transportation Equipment Total	11	102	(52)	62	146	(208)	-
	Land & Buildings							
88	Communication Equipment							
89	NK 1013601 2019 BWO GP&E COMPUTER, VOICE, & DATA	-	-	-	-	3	(3)	-
90	Communication Equipment Total	-	-	-	-	3	(3)	-
91	Land & Buildings							
92	OTHER PROJECTS LESS THAN \$20,000	(1)	4	(3)	-	3	(3)	-
93	Land & Buildings Total	(1)	4	(3)	-	3	(3)	-
94	Grand Total	954	1,879	(2,637)	196	1,753	(1,886)	63

NORTHLAND UTILITIES (NUY) LIMITED
Annual Filing for the Year Ended December 31, 2019
Reconciliation of Utility Return to Adjusted Net Earnings
(\$000s)

Line No.	Description	2018	2019
1	Regulatory earnings	3,286	3,153
2	Add Non Utility Income:		
3	Allowance for Funds Used During Construction	37	11
4	Other Interest	23	-
5		<u>60</u>	<u>11</u>
6	Sub-Total	3,346	3,164
7	Less Non Utility Expenses:		
8	Interest to Parent	1,242	1,179
9	Short Term Interest to Parent	10	3
10	Non Utility O&M	22	17
11		<u>1,274</u>	<u>1,199</u>
12	Sub-Total	2,072	1,965
13	Add Income Tax Adjustment:		
14	Tax on Net Non Utility Income	<u>8</u>	<u>(1)</u>
15	Adjusted Earnings Attributable to Class A and Class B Share Owners	<u><u>2,080</u></u>	<u><u>1,964</u></u>