

Sept. 6, 2022

Mr. Gordon Van Tighem, Chairman NWT
Public Utilities Board
#203-62 Woodland Drive
Box 4211
Hay River, NT, X0E 1G1

Dear Mr. Van Tighem,

Re: NTPC 2022-23 GRA – Updated Schedules

In the course of preparing its responses to Information Requests (“IRs”), the Northwest Territories Power Corporation (“NTPC”) identified certain errors in its Application as filed. NTPC corrected those errors in its IR responses filed June 13, 2022, including identifying any impact on revenue requirement. NTPC encloses updated schedules that incorporate corrected and updated information. Specifically, the updated schedules include:

1. A reduction in fixed-asset amortization expense and return on rate base reflecting addition of the government contribution of \$0.878 million for the Inuvik Third LNG Storage Tank Upgrade as discussed in the response to Information Request HR/FS.NTPC-21. (\$0.037 million reduction in Thermal Zone.)
2. Minor changes in the revenue requirement allocation among zones reflecting updated common cost allocation based on the sales forecast refinement as discussed in the response to Information Request HR/FS.NTPC-12. (\$0.048 million reduction in Taltson Zone; \$0.030 million increase in Snare Zone; \$0.018 million increase in Thermal Zone.)
3. Minor changes in the revenue requirement allocation among zones reflecting correction of a CWIP continuity linking error as discussed in the response to Information Request HR/FS.NTPC-31. (\$0.005 million reduction in Taltson Zone; \$0.019 million reduction in Snare Zone; \$0.028 million increase in Thermal Zone.)
4. A reduction in fixed-asset amortization expense and return on rate base reflecting addition of the government contribution of \$0.402 million for the Behchokò EV Charging Station project as noted in the Corporation’s rebuttal evidence A10. (\$0.025 million reduction in Snare Zone.)
5. Minor changes in the revenue requirement allocation among zones reflecting correction of a Water License deferral account balance related to the Snare zone, which was mistakenly included in Taltson zone due to a linking error. (\$0.066 million reduction in Taltson Zone; \$0.066 million increase in Snare Zone.)

Please note the information included in item 4 was not available until after the filing of NTPC's IR responses. The error in item 5 was not identified until after the filing of NTPC's IR responses. This correction is only in relation to the Snare zone Water License deferral balance resulting in minor cost reallocation between hydro zones and does not impact total revenue requirement.

The following revisions to the GRA schedules correct the information for the 2020-21 actual year for accuracy of information purposes, however there is no associated impact on the forecast 2022-23 revenue requirement:

1. Correct Taltson zone total generation and losses for 2020-21 actual as discussed in the response to Information Request BR.NTPC-4.
2. Correct Thermal zone residential customer count for 2020-21 as discussed in the response to Information Request HR/FS.NTPC-4c.

A summary of the impacts to the 2022-23 corporate revenue requirement and test year forecast resulting from these changes is set out below.

Table 1
Summary of Impact of 2022-23 Revenue Requirement
Changes compared to March 2022 Filing (\$000)

Line No.		2022-23 Revenue Requirement			Explanation
		per Application	Updated Schedules	Change	
1	Non-Production Fuel Operation & Maintenance Expense				
2	Salaries and Wages	\$ 28,110	\$ 28,110	\$ -	
3	Non Production Fuel and Lubricants	\$ 1,121	\$ 1,121	\$ -	
4	Supplies and Services	\$ 17,370	\$ 17,370	\$ -	
5	Travel and Accommodation	2,173	2,173	-	
6	Total Non-Production Fuel Operation & Maintenance Expense	48,774	48,774	-	
7	Less: Corporate Donations	105	105	-	
8	Total Non-Production Fuel Operation & Maintenance Expense for GRA	48,669	48,669	-	
9	Production Fuel Expense				
10	Fuel	23,629	23,629	\$ -	
11	Purchased Power	3,783	3,783	-	
12	Total Production Fuel Expense	27,412	27,412	-	
13	Amortization				
14	Fixed Asset Amortization (less Customer Contributions)	20,459	20,426	(34)	Addition of GNWT contribution for Inuvik 3rd LNG and Behchoko EV Charging Station project
15	True Up	(225)	(225)	-	
16	Amortization of Deferred Charges	7,023	7,023	-	
17	Total Amortization Expense	27,257	27,223	(34)	
18	Total Return on Rate Base	19,270	19,245	(24)	Addition of GNWT contribution for Inuvik 3rd LNG and Behchoko EV Charging Station project
19	Total Revenue Requirement	122,608	122,550	(58)	
Revenue at Existing Rates		110,239	110,239	-	
Other Revenue		1,740	1,740	-	
Total Revenue		111,979	111,979	-	
Shortfall		10,629	10,571	(58)	

Total revenue requirement is slightly reduced (\$0.058 million). This reflects a Taltson zone revenue requirement reduction of \$0.118 million and small increases in Snare and Thermal zone revenue requirements of \$0.051 million and \$0.009 million, respectively.

Other than these changes, the Corporation has made no other revisions or adjustments to its GRA Application as filed.

Please feel free to contact me at (867) 874-5254 if you have any questions on this matter.

Respectfully,

A handwritten signature in black ink, appearing to read "Paul Grant". The signature is stylized with a large initial "P" and a long horizontal stroke extending to the right.

Paul Grant
Chief Financial Officer
Northwest Territories Power Corporation