

NORTHWEST TERRITORIES PUBLIC UTILITIES BOARD

Northwest Territories Power Corporation  
2022-2023 General Rate Application

Public Session

Yellowknife, NWT  
September 9, 2022

Before the Northwest Territories Public Utilities Board:  
Gordon Van Tighem - Chairman  
Tina Gargan - Vice-Chairman  
Myra Berrub - Member  
Danny Yakeleya - Member  
Joe Auge - Member

Appearances

Public Utilities Board:

Ayanna Ferdinand Catlyn - Counsel  
Raj Retnanandan - Consultant  
Doris Minoza - Secretary  
Louise Beaulieu

Northwest Territories Power Corporation:

Paul Grant - Chief Financial Officer  
Doug Prendergast - Manager, Communications  
Erin Ladouceur - Director, Customer Service

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1 MR. VAN TIGHEM: Good morning, everyone. Do we  
2 have Norman Wells online? I can hear you, but I can't see you.

3 UNIDENTIFIED SPEAKER: Hello.

4 MR. VAN TIGHEM: Hello. Hello, empty chairs. There  
5 you are.

6 UNIDENTIFIED SPEAKER: You guys good?

7 MR. VAN TIGHEM: That's good.

8 All right. Let me start, then, by introducing who's here. My name is  
9 Gordon Van Tighem. I'm the chairman of the board. To my left is  
10 Ms. Tina Gargan, vice-chair of the board, and Danny Yakeleya, board  
11 member. On the other side, we have Ms. Myra Berrub and Joe Auge,  
12 members of the board.

13 In addition, we are supported by our board secretary, Ms. Doris  
14 Minoza; board counsel, Ms. Ayanna Ferdinand Catlyn; and board  
15 consultant, Mr. Raj Retnanandan, and Ms. Louise Beaulieu is here to  
16 assist Ms. Minoza.

17 Court reporter is Lois Hewitt, and as she has for the last day and a  
18 bit, she will be preparing a transcript of the hearing which will be available  
19 once we're done.

20 This hearing of the Northwest Territories Public Utilities Board is set  
21 to consider a General Rate Application dated March 30th, 2022, for the  
22 Northwest Territories Power Corporation to create an order, or orders, of  
23 the board.

24 So I'll ask that the Northwest Territories Power Corporation give us  
25 a little overview of what we're -- why we're all here.

1 Opening Statement by Northwest Territories Power Corporation:

2 MR. PRENDERGAST: Good morning. Maybe I'll start by  
3 introducing my colleagues. To my far right is Erin Ladouceur, director of  
4 customer service. To my immediate right is Mr. Paul Grant, chief financial  
5 officer, and I'm Doug Prendergast, manager of communications. So  
6 NTPC is pleased to be here this morning to provide a high-level overview  
7 of our General Rate Application, or GRA, before we hear from members of  
8 the public.

9 I'm going to start with a couple of comments on the GRA process  
10 itself.

11 As much as anything, a GRA is a public financial review of how  
12 NTPC spends the money it receives from customers to ensure that  
13 customers are receiving fair value for the rates they pay. In our  
14 application, NTPC has provided a detailed accounting of the anticipated  
15 cost to deliver power to customers over the next two years. This includes  
16 items such as operating and maintenance costs, including labour, capital  
17 costs, and the cost of fuel. NTPC has proposed new rates that will allow it  
18 to meet those anticipated costs. In order to reduce the short-term impact  
19 of rate increases on customers, NTPC has proposed that the increases be  
20 spread over two years.

21 It's not possible to discuss electricity rates in the Northwest  
22 Territories without noting the significant contributions of the Government of  
23 the Northwest Territories, or GNWT, to help keep -- keep rates as low as  
24 possible. The GNWT is responsible for establishing energy policy. NTPC  
25 is responsible for delivering power to customers. It's an important

1 distinction.

2 Policy is based on government priorities. As our sole shareholder,  
3 it is important that NTPC is in alignment with the GNWT on energy policy  
4 matters. And we do have many of the same priorities. Primarily keeping  
5 rates as low as possible, maintaining reliable electricity systems, and  
6 keeping greenhouse gas emissions from electricity -- or sorry, reducing  
7 greenhouse gas emissions from electricity generation to help achieve the  
8 targets established in the 2030 Energy Strategy.

9 In communities served by NTPC, for instance, government  
10 customers pay higher electricity rates than other customer classes,  
11 helping to mitigate against upward pressures on rates for residents and  
12 businesses.

13 One of the most notable ways in which the GNWT helps to keep  
14 rates low is through the Territorial Power Support Program, or TPSP. The  
15 TPSP was established to ensure that all NWT households can, with  
16 modest energy savings efforts, pay the same power rate as households in  
17 Yellowknife. The TPSP does not apply to businesses or to residential  
18 customers in rate zones where rates are already below the Yellowknife  
19 rate, such as is the case in the Taltson zone.

20 So what are we asking for specifically in the GRA?

21 We've worked very hard over the past several years to control our  
22 costs. Generally speaking, we've kept most controllable costs at or below  
23 the rate of inflation. Unfortunately, factors beyond our control have more  
24 than offset the benefits received from those cost control efforts. So based  
25 on our current financial situation, we require the following:

1 Rates that will collect \$8 million in additional revenue from  
2 electricity sales to reflect the current cost of delivering electricity to  
3 customers. This works out to a 7.3 percent increase in revenue over five  
4 years. And those five years are 2018-19 to 2023-24. Important to  
5 remember that base rates have not been adjusted since 2019. And the  
6 proposed new rates are based on our forecasted costs for 2022-23.  
7 NTPC has included anticipated savings in diesel expenses once the Inuvik  
8 wind project begins to generate electricity early next year.

9 Prior to 2010, we had community-based rates in the NWT. Each  
10 community had its own rate which resulted in a wide range of rates, even  
11 within the same geographic area. In 2010, the then-minister responsible  
12 for the Public Utilities Board issued electricity rate policy guidelines to the  
13 PUB ordering that three rate zones be established based on the primary  
14 generation source used in each communities. This results in the system  
15 we have today where we have a Snare zone, a Taltson zone, and a  
16 Thermal zone. We also have an outlier in the community of Norman Wells  
17 due to some particular local circumstances. But the guidelines that were  
18 issued in 2010 did indicate that Norman Wells should become part of the  
19 Thermal zone in the future.

20 This table shows the proposed increases contained in the GRA for  
21 the three rate zones in Norman Wells. If accepted by the PUB, the Snare  
22 and Thermal zone will see increases of 2.5 percent in each of the next two  
23 years. If accepted by the PUB, the Taltson zone and Norman Wells will  
24 see larger increases, 10 percent and 10 percent, due to specific local or  
25 regional issues.

1           Each rate zone has its own pressures, its own unique pressures. In  
2 the Snare zone, for instance, inflation and flat electricity sales are having a  
3 significant impact on rates. In the Thermal zone, NTPC has been required  
4 to make investments in new plants and generators. These costs have  
5 been partially offset by the increase in lower cost LNG generation in Inuvik  
6 and the addition of renewable generation in several communities.

7           The situation in the Taltson zone and Norman Wells is a little more  
8 complicated as NTPC is also addressing legacy issues that have kept  
9 electricity rates below where they should have been in recent years. And  
10 we'd be happy to discuss those legacy issues in response to any  
11 questions that may come up.

12           In general, there are a number of factors that impact the cost of  
13 electricity regardless of which zone we're talking about. Among those  
14 factors are sales are declining. The assets that we use to provide  
15 electricity service are not easily downsized when sales decline, so the cost  
16 of the infrastructure is unchanged but there are fewer sales over which to  
17 spread the cost. Operation and maintenance costs also do not decline  
18 significantly when we have lower sales.

19           A lot of our infrastructure is aging. The cost to maintain our assets  
20 increase as they get older, and eventually we reach a time where we need  
21 to invest in refurbishment and/or replacement of critical assets, such as  
22 hydroelectric plants, thermal plants, transmission lines, power poles. All of  
23 those things need eventually to be replaced or refurbished.

24           There's also been a lack of new industrial sales for a number of  
25 years. Climate change is having an impact on rates. Extreme weather

1 events and receding permafrost do have an impact on our costs.  
2 Increasing fuel prices, particularly over the last six months, are  
3 problematic when it comes to keeping rates low. And just general inflation  
4 impacts corporations as much as it does individuals.

5 Sorry about this pop-up.

6 Okay. Looking to the future, NTPC recognizes that rate increases  
7 cannot be the only solution to the challenges facing the electricity sector in  
8 the NWT. We recognize that customers have to see balanced efforts and  
9 a plan for the future in order to increase their confidence in NTPC's ability  
10 to deliver electricity safely and reliably.

11 We have developed a strategic plan that aims to reduce the gap  
12 between electricity rates in the NWT and the Canadian national average  
13 while at the same time achieving the 25 percent greenhouse gas emission  
14 reduction target for electricity generation that forms part of the GNWT's  
15 2030 Energy Strategy. We've been moving forward with the strategy over  
16 the past several years, and as progress is made, we'll be sharing  
17 information with the public and other stakeholders. A key part of the  
18 success of our strategic plan will be building stronger partnerships with  
19 community and Indigenous governments and Indigenous organizations.

20 To wrap things up, the GNWT is NTPC's sole shareholder, and our  
21 relationship with them is critically important. We need to be on the same  
22 page. We share many of the same priorities and will continue to work  
23 together to ensure that electricity rate increases are moderated. We want  
24 to maintain and improve the reliability of electricity systems. And we will  
25 be reducing greenhouse gases to support the fight against climate



1 change.

2 That concludes our presentation, and I'll now turn things back to the  
3 Chair.

4 MR. VAN TIGHEM: Thank you, Doug.

5 Just to look at where we are, back in March we received a request  
6 for a review of rates by the Power Corporation. In the five months  
7 subsequent, we have gone through over a thousand pieces of paper or  
8 emails, and that sort of peaked in the last couple of days. Yesterday we  
9 had a technical hearing involving representatives -- or people representing  
10 the Thermal Communities, the Towns of Fort Smith and Hay River, and  
11 Stand Alone Energy Systems from Fort Smith. Then we moved into this  
12 consultation with the public in general. We had eight people speaking  
13 yesterday, and we've got two scheduled so far today. All of this  
14 information will be assembled, analyzed. And hopefully by early next year,  
15 we'll have a ruling available.

16 So to move on with today's activity, is Diane Seals with us from Fort  
17 Smith?

18 Diane Seals Addresses the Panel:

19 DIANE SEALS: Good morning. So just to let you  
20 know, I thought my time slot was 9 a.m. this morning, so I do have to run  
21 out because I have some work that I have to get back to. So I will ask my  
22 questions, but I won't be able to stay for the response. But I will watch the  
23 recording after, so I do want you to respond of course. So I'll just run  
24 through my questions, and then unfortunately I have to go.

25 So what is the amount in revenue you need to receive from

1 customers of all kinds in order to cover your costs and allow rates to stay  
2 the same or decrease?

3 What other options and incentives have you provided to help  
4 increase revenue beyond raising rates and accessing federal funding?

5 You say that you have been striving to increase electricity sales  
6 through electric heating and industry sales. What incentives are you  
7 providing residents to make that happen?

8 Have you considered encouraging the Taltson or hydro zone  
9 residents to switch to electric power to heat their homes and get off of oil,  
10 not just offering options to business and industry?

11 You say that having a reserve and lower rates is a decision point for  
12 mining operations while also saying there's a lack of industrial sales.  
13 Have you calculated the increase in funds that residential electric heating  
14 would provide? If there's a lack of industrial sales, why not looking at  
15 increasing residential use to increase electricity sales?

16 Can you offer the interruptible power rate to residents to encourage  
17 them to switch to electric heat?

18 Can you work with the GNWT to run an education program to  
19 encourage this?

20 If you are generating more income from residents, then you can  
21 work on a strategic plan for industry to incentivize them.

22 Residential electric heat would provide a win-win situation with  
23 GNWT for decreasing greenhouse gas emissions, increasing revenue for  
24 NTPC and not increasing costs to the residents.

25 That being said, encouraging residents to switch to electric heat

1 has to make economic sense for the homeowner, or it will not happen.  
2 Residents need to be given a stable rate that is equal to or below oil  
3 heating fuel costs, and it would need to be a stable rate for at least the  
4 next five years for people to commit to it.

5 I understand that the focus is on diesel-powered communities to  
6 decrease their greenhouse gas emissions, but you also have an  
7 opportunity to have communities like Fort Smith that could eliminate their  
8 greenhouse gas emissions from heating and do it in a shorter period of  
9 time which would also have a profound impact.

10 It's great that you have invested in power -- in wind power in Inuvik.  
11 Have you or are you considering investing in solar power that can be part  
12 of the grid? And is that only with third-party investments? And would  
13 solar power erase/offset the rates?

14 It seems to me that this current system that you have is  
15 encouraging people to move off the grid and create their own power,  
16 which is a loss to NTPC, and an increase to the cost of all remaining  
17 NTPC customers. Finding affordable opportunities for residents to switch  
18 to renewable energy that benefit the whole system should be a priority for  
19 both NTPC and the GNWT.

20 Those are all my questions. I look forward to hearing your  
21 response. I'd also be interested in a little more explanation around the  
22 legacy that you said is for our area and some of the issues around that.  
23 And thank you for your time.

24 MR. VAN TIGHEM: Thank you very much. Everything  
25 will be posted on the website hopefully later today.

1 Response?

2 A MR. GRANT: All right. Well, thank you for the  
3 questions. And the development of residential electric heat in Fort Smith,  
4 it's certainly something that we will look into, very -- very much so. There  
5 are some issues that we have to resolve with the capability of our current  
6 system to take on more power. Heat is quite load-intensive. So we'll look  
7 into that. We already have a study going on on that particular aspect. So  
8 hopefully that can -- will result in a plan to develop our distribution system  
9 within Fort Smith.

10 And the incentivizing industrial customers as well, that's -- we  
11 continue to work with industrial -- possible industrial customers that are  
12 hoping to access power from the Talston power grid.

13 And the legacy low rate issue, that has to do with when we do flat  
14 rate increases across the entire territory. If the costs in one particular  
15 zone exceed the standard increase over the rates that the entire territory  
16 is subject to, then that particular zone starts falling in their ability to cover  
17 their own cost of service. And there's several things which have occurred  
18 in the Taltson area, especially in respect to water licensing regulation. It's  
19 become very costly in hydro areas. And this is why the increases -- the  
20 flat increases across the board have not been able to keep pace with the  
21 increased costs in Fort Smith.

22 And that's my response.

23 MR. VAN TIGHEM: Thank you. We can move to Susan  
24 Wright in Norman Wells, I hope.

25 Susan Wright Addresses the Panel:

1 SUSAN WRIGHT: Howdy. I don't know where to look.  
2 Right here, I guess. Hello, everyone. I'm Susan Wright. I work for  
3 North-Wright Airways. For those who may not know, North-Wright Airways  
4 is one of the larger businesses in Norman Wells. So these increases  
5 affect us, I think, kind of on the larger (audio feed lost) scale in Norman  
6 Wells. So I want to kind of start off (audio feed lost).

7 MR. VAN TICHEM: Susan, you're breaking up. We have  
8 some people working on it.

9 SUSAN WRIGHT: So I'm curious when the rates will  
10 come into effect. I think the poster had indicated it was for the 2022-23  
11 fiscal year. So when would the 10 percent increase come into effect?  
12 And how will this look to the consumer? Will there be any  
13 subsidies?  
14 And what has been the history (audio feed lost) over (audio feed  
15 lost) let's say the last ten years?  
16 Hello? Hello?

17 MR. VAN TICHEM: Somebody's saying "hello". I don't  
18 know who you are or where you are.

19 UNIDENTIFIED SPEAKER: Hello?

20 SUSAN WRIGHT: Hello? Can you hear me?

21 UNIDENTIFIED SPEAKER: Yes, I can hear you.

22 SUSAN WRIGHT: Okay. I'm speaking -- hi. I'm Susan  
23 Wright. I'm a resident of Norman Wells, but I also am a representative of  
24 a company who has quite a few properties in Norman Wells. So I come to  
25 you with lots of questions, but more or less I'm coming to you because this

1 does -- this notice does give us a huge business impact, and it's  
2 significant enough with the amount of increase that it warrants me to  
3 come.

4 Obviously understanding -- I only saw a little end of that  
5 presentation because I did not -- I wasn't aware that there was a  
6 presentation, so excuse me if I'm asking questions you already talked  
7 about. But more or less the biggest thing I'm looking at -- wanting to  
8 understand is the rates are proposed for 2022 and 2023, so to me, that  
9 seems like it's immediate. And I'm just looking to see when is the  
10 proposed start time for that rate increase of 10 percent.

11 And then I also would like for someone to explain to me, now that I  
12 have all of -- all of the heads in the room, can you explain to me the power  
13 situation in Norman Wells and how it will -- how it relates to Imperial Oil.  
14 And I realize there was a history; there has been a history, and I know  
15 Imperial is like a partner to some extent. But just to start, I'd like to have  
16 those two questions answered, and then I have other questions as well.

17 So I'll hand it over to you, if you don't mind.

18 MR. VAN TIGHEM: Thank you.

19 Response from the Power Corp?

20 A MR. GRANT: Thank you. As to the question of  
21 when will rates -- the increase in rates take place, NTPC did file this  
22 application on March 30th of 2022, and the Public Utilities Board approved  
23 interim rate increases of 2.5 percent in all communities for May 1st. So I  
24 would say that the rate increases are already, to some degree, in place.

25 And as to when the -- if approved, when the 10 percent increases

1 would be put in place, that is all what this process is for, and the process  
2 would have to conclude before any further rate increases would be put in  
3 place. Those are approved by the Public Utilities Board. So that would be  
4 on the timing of these hearings that we've gone through and their  
5 decision.

6 Your second question was the state of electrical production in  
7 Norman Wells. Is that correct? Especially with the -- our provider of  
8 power being IOL. Is that your question?

9 SUSAN WRIGHT: Yeah, I guess my question is does  
10 the Power Corporation purchase power from them? Has that relationship  
11 changed? Is that what is causing at all any of the -- these factors, I guess,  
12 moving forward?

13 You did indicate in part of the presentation I did hear about the  
14 regional -- there were regional factors or specific factors per location. I'm  
15 just curious if the Imperial Oil part of it has something to do with it. So I'm  
16 just looking to have an understanding. Does the Power Corporation  
17 purchase power from Imperial Oil, and has that rate changed?

18 A MR. GRANT: Okay. So yes, NTPC does have a  
19 purchase agreement from Imperial Oil. Their production facilities for their  
20 industrial work also produces electricity, and we are able to purchase  
21 electricity from them, which would be at a rate which is beneficial to our  
22 consumers there because it's below the cost of producing electricity with  
23 diesel power from our diesel plant.

24 But as you, I'm sure, are very well aware, Imperial Oil is -- I don't  
25 know if I would call it winding down operations there, but their operations

1           there certainly are changing. So we did -- we did have to -- we do always  
2           have to have a backup power plant in Norman Wells for when IOL does  
3           actually shut down services, either through maintenance, or, as you know,  
4           when there's a break in the pipeline, they had -- they were actually shut  
5           down for a lengthy period of time where we had to produce power. We  
6           had to bring in extra engines to make sure that we were able to continue  
7           to provide power in Norman Wells.

8                         But with that, the power plant that had been in service had been in  
9           service for a very long time, and we did get a new power plant put in  
10          place. It was approved with a project permit. So we did get a new power  
11          plant built in Norman Wells. And this was built during the period when IOL  
12          had been shut down to the -- with the pipeline. There was no certainty as  
13          to whether the IOL operation would continue to operate. So we created --  
14          we built a power plant which could be converted into a full-time power  
15          plant. It doesn't have the number of engines in it right now for a full-time  
16          power plant, so it still is just a standby power plant. But that is how we  
17          provide power in Norman Wells.

18         SUSAN WRIGHT:                                 I see. So the Imperial Oil rate for  
19          electricity has not gone up, or it's not overly increased. It's just, you know,  
20          we're ramping up to have the capacity in the event that they will shut down  
21          at some point or during seasonal shutdowns. I think that's what I'm  
22          hearing from you, right?

23         A   MR. GRANT:                                 Well, as to the purchase power  
24          agreement we have with IOL, it is actually set against the rack price of  
25          diesel fuel in Edmonton. It's a formula that was developed many years



1 ago. So although it's below the cost of producing power with diesel, it is  
2 still priced in relationship with diesel, so it does follow the diesel price  
3 market.

4 SUSAN WRIGHT: I see. So what are the specific  
5 community factors that are causing this increase?

6 A MR. GRANT: You're --

7 SUSAN WRIGHT: And, like, why 10 percent for two  
8 years in a row when you look at other -- I understand that hydro  
9 communities have it differently. But that investment hasn't been made in  
10 this region, and so we don't get the benefit as residents of Northwest  
11 Territories. Money went into that infrastructure, and so we're not able to  
12 get that -- we're not able to get access to a lower rate. And I'm not saying  
13 that we would be deserving of the hydro rate. I'm just saying that I kind of  
14 feel like what -- what is making it so significant that we need 10 percent  
15 per year for two years?

16 A MR. GRANT: All right. So in Norman Wells, this  
17 was one of the communities that was -- unfortunately, you didn't see the  
18 initial presentation that we provided which did allude to a difference in  
19 Norman Wells. But it did talk about how in 2010 -- or prior to 2010, each  
20 of our Thermal communities had its own price structure. And then in  
21 2010, the Government of Northwest Territories did actually create what  
22 would be a directive to the Public Utilities Board to create three rate  
23 zones. That would be the Snare one, the Taltson one, and the Thermal  
24 one. And that's based on what their primary source of energy generation  
25 was.



1 expert in the field, and it's good to understand that.

2 But it still, to me, doesn't understand or warrant a 10 percent  
3 increase for two years in a row. So I understand -- to me, I feel like it's  
4 either bad planning or just not, you know, a proposed -- a proposed 10  
5 percent increase for two years is what I'm opposing. I'm not opposing  
6 regular increases as, you know, we kind of go along. I understand. I work  
7 for a company. I know that, you know, that's just a factor of everything.  
8 But a 10 percent increase, like -- I should say 20 percent increase. It's  
9 unfathomable to me.

10 When I'm looking -- the way I look at it is I work for a business that  
11 has the majority of the properties in Norman Wells. I don't know if you're  
12 aware, but when Esso shut down, they then took all of their 55 families  
13 with them. So I'm sure that has a factor, that Imperial was not needing  
14 that power. For all of their units, they're still maintaining those units, and  
15 there's still power, but the consumption isn't there.

16 But the company I work for has the largest amount of properties in  
17 this town. 10 percent is absolutely out of this world, unfathomable. And to  
18 me, what I can't understand is why this wasn't thought of beforehand,  
19 maybe having more time.

20 And I still actually don't think you actually answered my question  
21 about when these rates will come into effect because you said it's after  
22 this process, and that's why this process is here. But when is this process  
23 going to be over? Is it after this hearing? Are they going to have another  
24 meeting? Like, what is the process?

25 And forgive me again if you mentioned it in the presentation, but I

1           wasn't sent the information that there was a presentation. So I would like  
2           to know.

3                     If everything goes all well and then it's approved through the board,  
4           when will these rates be in effect?

5           MR. VAN TIGHEM:                             Thank you, Susan. This is Gordon  
6           Van Tighem. I earlier this morning gave a summary of where we're at.  
7           We've had the application. We've had a thousand pages of email and  
8           letters. And we've had one technical hearing with representatives of  
9           several regions within the Northwest Territories. That concluded  
10          yesterday.

11                     We're now receiving input from the general public to see how that  
12          agrees with, disagrees with, supports, or opposes the discussion up to this  
13          point in time.

14                     We completed yesterday's work with several undertakings that the  
15          Power Corporation will be providing more information that was requested  
16          by the board and the interveners. Those should be responded to by -- I  
17          think it says the 14th. And then there will be information -- final -- sorry --  
18          further information requests by October 21st, response by November 4th,  
19          argument by November 18th, and reply to the argument by December  
20          2nd.

21                     Then all of those additional pieces of paper and emails will enter  
22          into consideration by the Public Utilities Board, and a ruling should come  
23          out January/February.

24                     So as far as any increase, should that be the decision, I don't see it  
25          happening before March.

1 SUSAN WRIGHT: Okay, thank you for that answer,  
2 Gordon.

3 I do -- I am kind of confused too. Like, when I looked at the  
4 document that was put out on all the community boards, it was for the  
5 fiscal year 2022-2023. So that was my -- that was my question.

6 I like to know that it's happening in March. I still don't think that on  
7 the -- on the business side, you know, you have to see too that, in these  
8 small communities, there's not lots of companies here anymore. There's a  
9 very few solid and established companies that are being hit hard from  
10 every direction. The market forces are incredible to operate in the north.

11 And I look at, you know, some of the factors of the declining  
12 business. You're trying to -- you know, you've seen a decrease in the  
13 industrial involvement as well. And a 10 percent increase is the worst  
14 thing that you could do to attract or have any businesses have a good  
15 feeling about moving forward. If all of a sudden out of nowhere you're  
16 going to get hit with 20 percent increases over two years, this is just, like,  
17 to me, like I said before, unfathomable. And I understand increases, and I  
18 understand the world that we live in. But understanding from my point of  
19 view -- I think I looked at our financial statements, and I think we'd be  
20 looking at a 40, 45, maybe 50 percent difference. This is huge.

21 And, you know, we've already sold tickets. You know, we're an  
22 airline. We've already sold tickets to our customers up until April 1st. So,  
23 you know, when rates come into effect like 10 percent of an increase,  
24 that's also in -- that's also in addition to a 25 percent increase in all of our  
25 insurance and all of our fuel and all of our other costs to operate in this

1 place.

2 So in my mind, I don't like to think like doom and gloom or anything  
3 like that, but this is -- this has a huge impact on the business community.  
4 And I don't know if you're hearing it from the business community because  
5 our chamber is not overly active right now. But this has a huge impact.

6 A 10 percent increase is what I'm disputing for two years. And what  
7 I'm saying, if I have the ears of the world out here in this room that have  
8 the -- the power to be, this is burdensome, heavily burdensome to  
9 businesses. And speaking from one of the largest -- largest businesses, I  
10 just really don't see this being easy to handle.

11 And especially too with understanding that we have looked at  
12 options. We have converted our hangars and all of our shops, our  
13 houses, over to LED. We have spent the money to reduce our  
14 consumption. We have already gone above and beyond to reduce our  
15 power rates, and we're even more than willing to invest in alternative  
16 energy. But we've gone through the route to understand it's not going to  
17 work for us because the current system that's set up, it's not viable.

18 And I think that that is one thing coming to you here is that a 10  
19 percent increase for two years is -- it's a lot. But also it just seems like it's  
20 a dead end. Like, to me, I think it's just a dead end to going nowhere.  
21 And I don't see the plan to you having companies going on alternative  
22 energy any time soon. I think that there are obviously lots of problems  
23 with that. And I know you have to maintain your diesel plant here in the  
24 event that all the solar fails.

25 But this is my message, I guess, I'm bringing to you today: As a

1 business owner, a member of the community, as well as a resident, we're  
2 in such a tough location, and to increase this amount with practically very  
3 little notice, especially when you indicate on the poster that it's 2022-2023,  
4 that just gives me the feeling that it's going to happen, like, tomorrow or  
5 whenever this hearing is over.

6 So having said that, because I didn't listen to the presentation, what  
7 is going to go forward in terms of finding alternative energy and allowing --  
8 or creating a system to support companies that, should they wish to go  
9 that route, that it becomes something that is viable?

10 A MR. GRANT: If you're speaking about alternative  
11 energy opportunities, I'm sure that -- I'm sure you're aware that in the  
12 Northwest Territories, the Arctic Energy Alliance is very active in the  
13 alternative energy field. And they have programs and other opportunities  
14 for providing information on what alternative energy things you can do.

15 They would be an excellent resource to reach out to for alternative energy.

16 SUSAN WRIGHT: Thank you for your answer. But of  
17 course I know about the Arctic Energy Alliance, and of course I've already  
18 gone down that route, and of course we've already figured out a way to get  
19 rid of our \$250,000 bill. And I know that, you know, the Power Corporation  
20 at the end of the day doesn't really care about whether or not I go onto  
21 solar or an alternative energy program. I'm just saying that, in this  
22 particular room, I don't know who's all in this room right now, but if there's  
23 anyone out there -- I'm just putting the message out there that this just  
24 seems like -- a 10 percent increase is crazy. For two years, it's hugely  
25 burdensome on the businesses. And moving forward, this seems like a

1 dead end. Like, it doesn't seem like this is ever going to go away, that  
2 you're always going to have these market forces because companies are  
3 going to not want to set up here. You know, there's -- I just don't see  
4 those things changing. And I feel that the numbers of residents that we  
5 have in this community are -- are diminishing by the day. We don't have  
6 our new census, but I'm sure we've lost 200 residents since the last  
7 census. And, like, I just kind of -- I'm just putting it out there in respect of  
8 that. But thank you. I do -- I am aware of the Arctic Energy Alliance.  
9 Definitely gone that route.

10 The next question I have, I guess, is for Gordon. So what happens  
11 next? Sorry. I know you kind of elaborated on that. But what are the next  
12 steps?

13 MR. VAN TIGHEM: Well, the next steps are circulating  
14 the information that's been picked up over the hearings that we've had in  
15 the couple of days and add that to the foot of material that we already  
16 have that was reviewed during the hearings.

17 We have made requests, and interveners have made requests of  
18 the Power Corporation for additional or alternative information. They've  
19 got a couple of weeks to get that back. And further information requests  
20 may come out of that. Response is expected -- or is planned for -- by  
21 November 4th. Once that's all assembled, there will be the opportunity for  
22 argument, November 18th, which is further -- further requests to the Power  
23 Corporation, and reply by December 2nd.

24 Once all that is assembled, then the Public Utilities Board will  
25 discuss, debate, look at, and come up with a decision, which hopefully



1           would happen in January/February area. Once there's a decision out,  
2           then there's the application of whatever that decision is, which would then  
3           probably happen in March.

4                        So if everything flows, that would be the ideal that we're looking at.

5   SUSAN WRIGHT:                        Okay. And would you say that my  
6           comments made here today and the questions I have, are they -- are they  
7           enough? Or do I need to send, like, a letter as well? Or are these  
8           comments --

9   MR. VAN TIGHEM:                        Your comments --

10   SUSAN WRIGHT:                        I'm just wondering --

11   MR. VAN TIGHEM:                        Your comments are recorded and  
12           are part of the record. So you don't need to duplicate anything. Your  
13           comments support motivation that's been provided by other communities,  
14           which would play into the consideration. So you've done well. I think  
15           you've done enough.

16   SUSAN WRIGHT:                        Sounds good.

17   MR. VAN TIGHEM:                        It's good to see you -- or was good to  
18           see you. It's now good to hear you. You've done some good things --

19   SUSAN WRIGHT:                        Yes.

20   MR. VAN TIGHEM:                        You've done some good things since  
21           you deserted us and went up there. So thank you.

22   SUSAN WRIGHT:                        Yeah, definitely.

23   MR. VAN TIGHEM:                        Thank you for your input, and we'll  
24           see where it goes.

25   SUSAN WRIGHT:                        Sounds good. Thank you, Gordon.

1 Have a good one.

2 MR. VAN TIGHEM: Yes, you too.

3 And Fort Smith, if you're there, I have -- I note that Thaidene  
4 Paulette would like to make a presentation.

5 CHIEF THAIDENE PAULETTE: It's unmuted? Can everybody hear  
6 me?

7 MR. VAN TIGHEM: Yes, you're live.

8 Smith's Landing First Nation Addresses the Panel:

9 CHIEF THAIDENE PAULETTE: Okay. Good morning. My name is  
10 Thaidene Paulette. I'm Chief of Smith's Landing First Nation here in the  
11 Fort Smith area. I'll be pretty brief this morning. I'm more using this  
12 opportunity to get some attention from NTPC in regards to our kind of  
13 unique situation where we're located on the reserve in Smith's Landing  
14 So basically we are indirect customers, I guess you could say, of  
15 NTPC, and we will be affected by any rate increases that do happen in the  
16 near future.

17 So basically in our situation in Smith's Landing just on the Alberta  
18 side to the border here, we watch the transmission line come from the  
19 Taltson Dam just across over to the west side of the Slave River around  
20 Mountain Portage, and it comes up. The big transmission line literally  
21 almost runs right over our band office on the reserve. There is a  
22 transmission line easement that runs through our reserve at a really weird  
23 angle. It kind of takes up useable community space. It runs into Fort  
24 Smith at the transmission area there at the NTPC yard, and then it's  
25 transmitted and distributed back along the highway for maybe about 2

1 kilometres back into the Alberta side.

2           And once it gets into our reserve at Smith's Landing, NTPC has a  
3 meter that meters the power going in, and they said -- and they then say,  
4 sorry, it's out of our jurisdiction. Then we pay a different retailer, which is  
5 Direct Energy, out of Alberta. So we pay significantly different rates than  
6 NTPC users in the Fort Smith area because we get charged at the Direct  
7 Energy rate from the south, which is significantly more. Like, even though  
8 it's all the same power coming from the Taltson that we use, like I said, we  
9 watch it go through our reserve, come back around, and once it comes  
10 into the reserve, we're told it's out of -- it's in a different jurisdiction.

11           So I've got members, I've got elders paying upwards of a thousand  
12 dollars a month in the winter for power who don't even use electric heat.  
13 So I've got people that are, like, in the summer just catching up from bills  
14 in the winter.

15           And the most frustrating part about this is we are not the only power  
16 consumers on the Alberta side that get power from Fort Smith. There's,  
17 like, the golf course, the ski club, the greenhouse. There's numerous  
18 residents down the other Pine Lake Road. But like I said, the most  
19 frustrating thing is we on reserve the only -- are the only people that pay  
20 the Direct Energy rates. So if you look at the demographic, only the  
21 Indigenous people get charged at the Direct Energy rates. All the other  
22 areas and organizations in the area pay NTPC rates coming from Fort  
23 Smith, even though they are in the Alberta area. So it's a bit of a -- it's not  
24 really a good argument to say, well, sorry, you're in the Alberta area; you  
25 have to pay Direct Energy Alberta rates.



1 MR. VAN TIGHEM: Great.

2 That's the end of my list. Are there any other presenters at any of  
3 the remote sites or here?

4 Seeing and hearing none, I guess we can close this round of the  
5 proceedings and look forward to the next steps.

6 Thank you very much to everyone that participated, and a special  
7 thank you to the people that did all the preparation work to put together  
8 these pounds and pounds of documents. And we'll proceed on to the next  
9 steps.

10 Thank you. Have a great weekend.

11 (ADJOURNED AT 10:03 a.m.)

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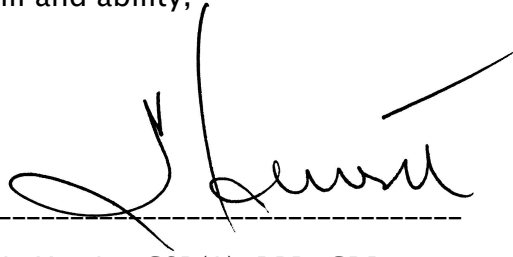
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Certified correct to the best of my  
skill and ability,

A handwritten signature in black ink, appearing to read "Lois Hewitt", is written over a horizontal dashed line. The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

Lois Hewitt, CSR(A), RPR, CRR  
Court Reporter