



PRESS RELEASE

March 3rd, 2016 – *For Immediate Release*

Town of Hay River and NTPC take first step of franchise

HAY RIVER, Northwest Territories (March 3, 2016) – Council for the Town of Hay River passed a motion today, to move forward with the next steps towards Northwest Territories Power Corporation (NTPC) acquiring the electrical distribution system and entering into a franchise agreement to distribute electricity to the town.

“After thoroughly reviewing the proposals, the Town has determined that the NTPC proposal affords the Town the best opportunity to reduce electricity rates within the community,” said Mayor Brad Mapes.

The decision follows a Request for Proposals regarding a franchise for the supply and distribution of electricity within the Town that was issued by the Town on May 28, 2015. The Request for Proposals was intended to obtain proposals and comments from interested parties and initiate further discussions regarding lowering the overall power rates to customers within the Town.

The Town received proposals from three interested parties in response to the Request for Proposals and has had the opportunity to review each proposal and meet with each of the interested parties on two occasions to discuss the respective proposals.

“We are looking forward to providing affordable and reliable power to Hay River and working with the Town in a strong business partnership,” said Emanuel DaRosa, NTPC President & CEO. “I’d like to assure all employees of the current franchisee that NTPC intends to offer them positions as part of the transition.”

Rates are made up of three basic components; wholesale, distribution, and back-up generation. The rate for wholesale power, which NTPC already provides to Hay River, is regulated by the PUB and set at a regional level for the entire South Slave. However, the distribution component would be reduced in excess of 30 per cent, while the back-up



generation component would be reduced in excess of 15 per cent, when compared to current rates. Customers can expect an overall decrease in Hay River's electricity rate of about 20 per cent.

Next steps include: determining the value of the electric distribution assets, the Town purchasing those assets from the current franchisee and selling them to NTPC, obtaining Public Utility Board approvals and developing a transition plan and terms of service.

The new franchise agreement would take effect following the expiry of the existing franchise agreement with Northland Utilities (NWT) Limited in November.

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