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January 24, 2024

The Honourable Caroline Wawzonek  
Minister Responsible for the  
Northwest Territories Power Corporation  
Government of the Northwest Territories  
P.O. Box 1320  
Yellowknife, NT X1A 2L9

Dear Minister Wawzonek:

**Re: 2023-24 NTPC Amended Capital Budget**

In finalizing NTPC's third quarter financial results, it has been determined that NTPC's capital expenditures are forecasted to be lower than the approved 2023-24 capital budget of \$68.021 million, by \$14.730 million (22%), resulting in an amended 2023-24 capital budget of \$53.291 million. The Planning and Accountability Framework indicates that: *"amendments to capital budgets for public agencies that result in a change of 20% of total infrastructure expenditures require submission to the responsible Minister for approval and tabling in the Legislative Assembly as soon as possible."* NTPC's Amended Capital Budget for 2023-24 is provided along with a reconciliation to the original approved capital budget in Table 1.

**Project Adjustments**

**Hydro Generation:**

- \$4.608 Million Reduction – With the delay of the Hay River Franchise to 2024-25, funds budgeted to run the Hay River standby diesel plant during the Taltson Overhaul are not required. Until the franchise transfer, Northland Utilities (NWT) Ltd. is responsible for the costs of running the standby plant.
- \$1.233 Million Reduction – Installation of a new generator at Jackfish has been deferred to 2024-25.
- \$0.730 Million Increase – The cost of the Snare Falls Substation Upgrade has increased due to the ordering of long lead items to take advantage of the 2024 winter road into Snare.

### Thermal Generation:

- \$0.916 Million Increase – The cost of the Wrigley Upgrade Plant Fuel System Project increased due to the installation being delayed by the forest fires. NTPC paid for additional mobilization/demobilization and a change in scope to include civil work required to enhance the existing fuel tank and access.
- \$0.580 Million Reduction – The Ulukhaktok Automation, P&C & Upgrade project has been deferred to 2025-26.
- \$0.540 Million Increase – The cost of the new power plant in Sachs Harbour increased due to an escalation in contractor costs and design and commissioning costs.
- \$0.500 Million Increase – The cost of the Whati Generator Replacement increased due to the forest fires delays and extra mobilization/demobilization.

### Hay River Franchise:

- \$13 Million Reduction – The Hay River Franchise acquisition will not be concluded in 2023-24. NTPC is expecting resolution in 2024-25, with PUB approval.

**Table 1 - 2023-24 NTPC Amended Capital Budget**

	<b>NTPC 2023-24 Budget</b>	<b>NTPC 2023-24 Forecast</b>	<b>Variance from Budget</b>
<b>Hydro Generation</b>	38,507	33,676	(4,831)
<b>Thermal Generation</b>	7,554	10,516	2,962
<b>Transmission, Distribution &amp; Retail</b>	5,421	4,957	(464)
<b>Corporate Services</b>	2,539	3,048	509
<b>Alternative Power</b>	1,000	1,000	-
<b>Hay River Franchise</b>	13,000	94	(12,906)
<b>Total Capital Budget</b>	<b>68,021</b>	<b>53,291</b>	<b>(14,730)</b>
<i>Government Contributions Approved</i>	<i>(750)</i>	<i>(4,745)</i>	<i>(3,995)</i>
<b>Subtotal Net Capital Budget (Approved Funding)</b>	<b>67,271</b>	<b>48,546</b>	<b>(18,725)</b>
<i>Government Contributions Proposed</i>			-
<b>Subtotal Contributions Approved &amp; Proposed</b>	<b>(750)</b>	<b>(4,745)</b>	<b>(3,995)</b>
<b>Total Net Capital Budget (Approved &amp; Proposed Funding)</b>	<b>67,271</b>	<b>48,546</b>	<b>(18,725)</b>
<b>Rate Regulated &amp; PSAS Budget</b>	<b>68,021</b>	<b>53,291</b>	<b>(14,730)</b>

NTPC respectfully requests your approval of the 2023-24 NTPC Amended Capital Budget as required and in accordance with the GNWT Planning and Accountability Framework.

Please confirm your approval by signing below and returning a copy for our records. If you have any questions regarding this request or the information provided, please contact me and I will provide additional information as required.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cory Strang', written over a horizontal line.

Cory Strang  
President & CEO  
Northwest Territories Power Corporation

Approved by:

A handwritten signature in black ink, appearing to read 'Caroline Wawzonek', written over a horizontal line.

Honourable Caroline Wawzonek  
Minister Responsible for the Northwest Territories Power Corporation