



April 29, 2016

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 2015 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 2015 audited financial statements is also included.

Please contact the undersigned at (780) 733-2489 if you have any questions or concerns.

Yours truly,

Original Signed by

James Grattan
Director, Regulatory

Enclosure

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

Northland Utilities (NUY) Limited
Annual Filing for the Year Ended December 31, 2015
Total Tariff Sales and Revenue

Line No.	Description	2014 Actual	2015 Actual
1	Residential		
2	Customers (average during year)	7,214	7,279
3	Sales in MWh	56,217	54,105
4	MWh sales per customer	7.8	7.4
5	Revenue (\$000s)	17,777	18,134
6	Cents per KWh	31.62	33.52
7	Commercial		
8	Customers (average during year)	1,256	1,275
9	Sales in MWh	102,625	102,992
10	MWh sales per customer	81.7	80.8
11	Revenue (\$000s)	25,860	27,294
12	Cents per KWh	25.20	26.50
13	Street Lights		
14	Sales in MWh	1,289	1,072
15	Revenue (\$000s)	988	909
16	Cents per KWh	76.65	84.81
17	Space Lights		
18	Sales in MWh	88	93
19	Revenue (\$000s)	36	37
20	Cents per KWh	40.29	39.83
21	Total Company		
22	Customers	8,470	8,553
23	Sales in MWh	160,220	158,262
24	Revenue (\$000s)	44,660	46,375
25	Cents per KWh	27.87	29.30
26	Retail Revenues	44,660	46,375
27	Rate Increase from Existing Rates	-	-
28		44,660	46,375

Northland Utilities (NUY) Limited
Annual Filing for the Year Ended December 31, 2015
Revenue Requirement and ROE Reconciliation
(\$000s)

Line No.	Description	2014 Actual	2015 Actual
1	Revenues		
2	Retail revenues	44,660	46,375
3	Other revenue	596	536
4	Total Revenues	<u>45,256</u>	<u>46,911</u>
5			
6	Costs		
7	Purchase power	33,840	35,317
8	Operations and maintenance	4,111	3,827
9	Franchise taxes	1,016	1,054
10	Property taxes	64	72
11	Depreciation	2,665	2,777
12	Amortization of contributions	(159)	(170)
13	Amortization of deferred costs/credits	111	111
14	Income taxes	421	540
15	Sub total	<u>42,069</u>	<u>43,528</u>
16			
17	Less:		
18	Long-term debt interest	1,376	1,408
19	Interest on deposits	7	8
20	Sub total	<u>1,383</u>	<u>1,416</u>
21			
22	Regulatory Earnings	1,804	1,967
23			
24	Revenue Requirement	<u><u>45,256</u></u>	<u><u>46,911</u></u>
25			
26			
27	Common Equity Rate Base	18,933	19,342
28			
29	Return on Common Equity	9.53%	10.17%

Northland Utilities (NUY) Limited
Annual Filing for the Year Ended December 31, 2015
Total Operations and Maintenance Expenses
(\$000s)

Line No.	Description	2014	2015		
		Actual	Actual	Variance	
1	Generation	-	-	-	
2	Transmission	-	-	-	
3	Distribution	1,005	896	109	L.37
4	General	199	223	(24)	
5	Public Information	184	144	41	
6	Billing & Customer Accounting	1,224	1,213	10	
7	Corporate	1,513	1,376	137	L.39
8		<u>4,125</u>	<u>3,852</u>	<u>273</u>	
9	<u>Less:</u>				
10	Donations in account 70150/72100	(14)	(24)	10	
11		<u>4,111</u>	<u>3,827</u>	<u>284</u>	
12					
13	Adjustment/Disallowance etc	-	-	-	
14					
15	Total operations and maintenance expenses	<u>4,111</u>	<u>3,827</u>	<u>284</u>	
16					
33					
34					
35	<u>Variance > \$50:</u>				
36					
37	Distribution expenses lower in 2015 compared to 2014 mainly due to labour utilization on new extension projects.				
38					
39	Corporate expenses lower in 2015 compared to 2014 mainly due to vacancies and a decrease in training costs.				

Northland Utilities (NUY) Limited
Annual Filing for the Year Ended December 31, 2015
Plant Amortization Expense
(\$000s)

Line No.	Description	2014 Actual	2015 Actual
1	General Provision	2,489	2,604
2	Amortization of Differences	214	214
3	Vehicle Depreciation Capitalized	<u>(38)</u>	<u>(40)</u>
4	Total Depreciation Expense	<u>2,665</u>	<u>2,777</u>

Northland Utilities (NUY) Limited
Annual Filing for the Year Ended December 31, 2015
Return on Rate Base
(\$000s)

Line No.	Description	Mid-Year Balance	Ratio	Mid-Year Rate Base	Mid-Year Cost Rate	Return
1	<u>2014 Actual</u>					
2	Long Term Debt	24,313	55.67%	24,561	5.60%	1,376
3	Common Stock	18,742	42.92%	18,933	9.53%	1,804
4	Customer Deposits	481	1.10%	485	1.50%	7
5	No Cost Capital	135	0.31%	136	0.00%	-
6	Total	<u>43,671</u>	<u>100%</u>	<u>44,116</u>	<u>7.22%</u>	<u>3,187</u>
7	<u>2015 Actual</u>					
8	Long Term Debt	25,163	55.82%	25,246	5.58%	1,408
9	Common Stock	19,279	42.76%	19,342	10.17%	1,967
10	Customer Deposits	506	1.12%	507	1.50%	8
11	No Cost Capital	135	0.30%	135	0.00%	-
12	Total	<u>45,082</u>	<u>100%</u>	<u>45,231</u>	<u>7.48%</u>	<u>3,383</u>

Northland Utilities (NUY) Limited
Annual Filing for the Year Ended December 31, 2015
Mid-Year Capitalization Continuity
(\$000s)

Line No.		<u>2014</u> Actual	<u>2015</u> Actual
1	Common Equity		
2	Opening Balance	18,327	19,158
3	Shares Issue	-	-
4	Net Income	1,932	1,941
5	Less: Dividends	(1,100)	(1,700)
6	Closing Balance	<u>19,158</u>	<u>19,399</u>
7	Mid-Year Balance	18,742	19,279
8			
9	Debt- Long Term		
10	Opening Balance	23,463	25,163
11	Issue	1,700	-
12	Repayment	-	-
13	Closing Balance	<u>25,163</u>	<u>25,163</u>
14	Mid-Year Balance	24,313	25,163
15			
16	Customer Deposits		
17	Opening Balance	480	481
18	Additions	1	50
19	Payments	-	-
20	Closing Balance	<u>481</u>	<u>531</u>
21	Mid-Year Balance	481	506
22			
23	No Cost Capital		
24	Mid-Year Balance	135	135
25			
26	Total Mid-Year Capitalization	<u>43,671</u>	<u>45,082</u>

Northland Utilities (NUY) Limited
Annual Filing for the Year Ended December 31, 2015
Income Tax Expense
(\$000s)

Line No.	Description	2014 Actual	2015 Actual
1	Utility Earnings Before Tax	2,224	2,507
2	Add : AFUDC	69	17
3		<u>2,293</u>	<u>2,524</u>
4	Add:		
5	Depreciation	2,665	2,777
6	Amortization of Contributions	(159)	(170)
7	Non-allowable Expenses	32	20
8	Plant Maintenance Reserve Amortization	-	-
9	Rate Case Write-off	111	111
10	Injuries & Damages Write-off	-	-
11	Charges to Deferred Pension	154	138
12	Sub-total	<u>2,804</u>	<u>2,876</u>
13	Deduct:		
14	CCA	2,741	2,772
15	Plant Maintenance Reserve Charges	-	-
16	Rate Case Expenditure	5	8
17	Reserves for Injuries & Damages	-	-
18	Pension Payments	190	160
19	CEC	3	5
20	Dismantling Costs	104	42
21	AFUDC	69	17
22	Rainbow	-	-
23	ES&G	323	276
24	Donations	12	13
25	Proceeds of Disposal	(13)	-
26	Stock Handling	75	76
27	Sub-total	<u>3,508</u>	<u>3,367</u>
28	Taxable Income	1,589	2,033
29	Tax Rate	26.50%	26.50%
30	Other Adjustments	(0)	1
31	Income Tax	<u><u>421</u></u>	<u><u>540</u></u>

Northland Utilities (NUY) Limited
Annual Filing for the Year Ended December 31, 2015
Rate Base Calculation
(\$000s)

Line No.	Description	2014 Actual	2015 Actual
1	Property, Plant and Equipment		
2	Year End Balance	75,125	77,220
3	Deduct:		
4	Accumulated Depreciation	23,195	25,104
5	Construction-in-Progress	217	1,090
6	Reserves for future removal and site restoration	2,118	2,303
7	Total Deductions	25,530	28,496
8	Net Plant in Service		
9	Current Year End Balance	49,595	48,724
10	Previous Year End Balance	45,393	49,595
11	Total	94,988	98,318
12	Mid-Year Balance	47,494	49,159
13	Mid-year Rate Deferred Charges/Credits	(52)	(107)
14	Working Capital	943	752
15	Gross Rate Base	48,385	49,804
16	Deduct:		
17	Contributions for Extensions		
18	Current Year-End Balance	4,436	4,710
19	Previous Year-End Balance	4,103	4,436
20	Total	8,539	9,147
21	Mid-Year Balance	4,269	4,573
22	Net Rate Base	44,116	45,231

Northland Utilities (NUY) Limited
Annual Filing for the Year Ended December 31, 2015
CWIP Continuity
(\$000)

Line No.	Description	2014				2015		
		Opening Balance	Capital Expend	Capital Adds	Closing Balance	Capital Expend	Capital Adds	Closing Balance
1	New Extension							
2	BWO 1 PHASE RESIDENTIAL UNDERGROUND SERVICE	-	40	(40)	-	34	(26)	8
3	GRACE LAKE RESIDENTIAL	-	-	-	-	-	-	-
4	CON MINE	-	33	(33)	-	-	-	-
5	HOMES NORTH KAM LAKE PHASE 1	198	91	(289)	-	-	-	-
6	CITY WATER TREATMENT PLANT	11	45	(56)	-	3	(2)	1
7	BETTY HOUSE	-	22	(22)	-	-	-	-
8	HOMES NORTH KAM LAKE PHASE 2	-	234	(234)	-	-	-	-
9	STANTEC / UNION OF NORTHERN WORKERS BUILDING	-	37	(37)	-	13	(10)	3
10	GRANITE APARTMENTS	-	6	-	6	61	(53)	14
11	FRED HENNE LOOP	-	4	-	4	251	(244)	11
12	NORTHTEC DRILLING	-	-	-	-	21	(17)	4
13	TWIN PINE HILLS	-	-	-	-	232	(181)	51
14	MOYLE DRIVE 19 PLEX	-	-	-	-	63	(50)	13
15	HOMES NORTH KAM LAKE PHASE 3	-	-	-	-	168	(134)	34
16	OLD ARENA ICE PLANT	-	-	-	-	38	(30)	8
17	NOVA HOTEL	-	-	-	-	23	(18)	5
18	STANTON HOSPITAL EXPANSION	-	-	-	-	142	(94)	48
19	OTHER PROJECTS LESS THAN \$20,000	-	26	(12)	14	106	(80)	40
20	New Extension Total	209	538	(723)	24	1,155	(939)	240
21	Distribution							
22	400 SUBSTATION	45	-	(45)	-	-	-	-
23	NLTP WATER AND SEWER	36	1	(37)	-	-	-	-
24	JOINT USE POLES	60	2	(62)	-	-	-	-
25	MUSEUM UNDERGROUND	41	-	(41)	-	-	-	-
26	RECONDUCTOR SECONDARIES	1	5	-	6	83	(73)	16
27	FEEDER TIE 5L660 & 5L662	-	51	(51)	-	-	-	-
28	2014 POLE TEST & TREAT	-	43	(43)	-	-	-	-
29	2014 SWITCHES AND PROTECTION	-	31	(31)	-	-	-	-
30	NLTP 600 ROW LOOP	-	52	(52)	-	-	-	-
31	PULL JOINT USE POLES	-	136	-	136	2	(50)	88
32	NLTP REPAIRS	-	64	(64)	-	-	-	-
33	2015 POLE TEST & TREAT	-	-	-	-	59	(46)	13
34	54 STREET ALLEY	-	-	-	-	39	(24)	15

Line No.	Description	2014				2015		
		Opening Balance	Capital Expend	Capital Adds	Closing Balance	Capital Expend	Capital Adds	Closing Balance
35	2015 POLE CHANGES	-	-	-	-	31	(24)	7
36	CHANGE OUT PORCELAIN SWITCHES	-	-	-	-	16	16	32
37	OTHER PROJECTS LESS THAN \$20,000	16	40	(5)	51	41	(27)	66
38	Distribution Total	199	425	(431)	193	271	(228)	237
39	Street & Sentinel Lights							
40	STREET LIGHTS HOMES NORTH PHASE 1	6	30	(36)	-	-	-	-
41	2014 LED STREET LIGHTS	-	313	(313)	-	-	-	-
42	STREET LIGHTS HWY 3 & OAR	-	141	(141)	-	-	-	-
43	STREET LIGHTS HWY 3 & HWY 4	-	177	(177)	-	-	-	-
44	STREET LIGHTS WILEY & RACCINE	-	146	(146)	-	6	6	
45	STREET LIGHTS YK SKI CLUB	-	34	(34)	-	-	-	
46	STREET LIGHTS LANKY COURT	-	31	(31)	-	13	(10)	3
47	STREET LIGHTS FRAME LAKE TRAIL	-	96	(96)	-	-	-	
48	STREET LIGHTS 52 AVE	-	121	(121)	-	156	(152)	4
49	STREET LIGHTS HOMES NORTH PHASE 2	-	29	(29)	-	-	-	
50	STREET LIGHTS SKI CLUB PHASE 3	-	-	-	-	40	(32)	8
51	STREET LIGHTS HORTON CRESCENT	-	-	-	-	144	(110)	34
52	2015 LED STREET LIGHTS	-	-	-	-	173	(149)	24
53	STREET LIGHTS FORREST DRIVE	-	-	-	-	62	(45)	17
54	STREET LIGHTS CURRY & CORONATION	-	-	-	-	37	(30)	7
55	STREET LIGHTS FRANKLIN AVE	-	-	-	-	28	(23)	5
56	STREET LIGHTS NIVEN TRAIL	-	-	-	-	30	(24)	6
57	STREET LIGHT 2015 ADDITIONS	-	-	-	-	30	(24)	6
58	2016 LED STREET LIGHTS	-	-	-	-	471	-	471
59	OTHER PROJECTS LESS THAN \$20,000	-	11	(11)	-	26	(17)	9
60	Street & Sentinel Lights Total	6	1,129	(1,135)	-	1,210	(610)	600
61	Meters							
62	CAPITAL METER ADDS	-	42	(42)	-	67	(53)	14
63	Meters Total	-	42	(42)	-	67	(53)	14
64	Transformers							
65	REPLACE BURNT OUT TRANSFORMERS	-	208	(208)	-	50	(50)	-
66	Transformers Total	-	208	(208)	-	50	(50)	-
67	Tools, Instruments & Equipment							
68	GENERAL PROPERTY & EQUIPMENT	-	40	(40)	-	30	(30)	-
69	Tools, Instruments & Equipment Total	-	40	(40)	-	30	(30)	-
70	Office Furniture & Equipment							
71	PURCHASE NEW OFFICE FURNITURE	-	190	(190)	-	-	-	-
72	OTHER PROJECTS LESS THAN \$20,000	-	(2)	2	-	-	-	-
73	Office Furniture & Equipment Total	-	188	(188)	-	-	-	-

Line No.	Description	2014				2015		
		Opening Balance	Capital Expend	Capital Adds	Closing Balance	Capital Expend	Capital Adds	Closing Balance
74	Office Computer Software							
75	E-POST ELECTRONIC SYSTEM	-	66	(66)	-	-	-	-
76	ONE TIME CREDIT CARD PAYMENT WINDOW	-	35	(35)	-	-	-	-
77	OTHER PROJECTS LESS THAN \$20,000	12	36	(48)	-	-	-	-
78	Office Computer Software Total	12	137	(149)	-	-	-	-
79	Transportation Equipment							
80	REPLACE UNIT#1119	-	69	(69)	-	-	-	-
81	PURCHASE NEW AIR COMPRESSOR	-	21	(21)	-	-	-	-
82	PURCHASE NEW CABLE PULL	-	-	-	-	46	(46)	-
83	OTHER PROJECTS LESS THAN \$20,000	-	19	(19)	-	-	-	-
84	Transportation Equipment Total	-	109	(109)	-	46	(46)	-
85	Land & Buildings							
86	NUY BUILDING RENOVATION	1,523	2,273	(3,796)	-	5	(5)	-
87	REMEDIATE 800 SUB PROPERTY	62	8	(70)	-	-	-	-
88	OTHER PROJECTS LESS THAN \$20,000	-	29	(29)	-	-	-	-
89	Land & Buildings Total	1,585	2,310	(3,895)	-	5	(5)	-
90	Grand Total	2,011	5,126	(6,920)	217	2,834	(1,961)	1,090

NORTHLAND UTILITIES (NUY) LIMITED
Annual Filing for the Year Ended December 31, 2015
Reconciliation of Utility Return to Adjusted Net Earnings
(\$000s)

Line No.	Description	2014	2015
1	Regulatory earnings	3,187	3,383
2	Add Non Utility Income:		
3	Allowance for Funds Used During Construction	69	17
4	Other Interest	114	(30)
		183	(13)
5	Sub-Total	3,370	3,370
6	Less Non Utility Expenses:		
7	Interest to Parent	1,373	1,421
8	Short Term Interest to Parent	28	6
9	Non Utility O&M	14	24
10	OPEB Regulatory Assets Written Off	(2)	14
		1,413	1,465
11	Sub-Total	1,956	1,905
12	Add Income Tax Adjustment:		
13	Tax on Net Non Utility Income	(22)	22
		(22)	22
14	Adjusted Earnings Attributable to Class A and Class B Share Owners	1,934	1,927