



4 Capital Drive, Hay River, NT X0E 1G2 • Tel: 867.874.5200 • Toll-Free Fax: 1.888.332.9640

March 8, 2017

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

Dear: Minister Sebert

Re: Capital Spending Budget

In finalizing NTPC's third quarter results, it has been determined that NTPC's capital spending will be approximately 30% underspent for 2016/17 from its original budget.

The majority of the underspending, \$7.1 million comes as a result of delays experienced in 2016/17 with four larger projects; Jackfish modular generation, Aklavik variable speed generator, Bluefish expansion study, Financial integration of CMMS. The capital costs for these projects is being carried over to 2017/18. \$0.9 million is a permanent difference in the cost of capital projects completed under budget in 2016/17.

\$7.1M	projects carried over or deferred to 2017/18
<u>\$1.3M</u>	underspend on completed projects (not spending contingency)
\$8.4M	

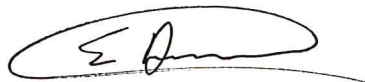
Attached is the reconciliation of NTPC's original approved capital budget against the revised capital budget.

	in \$000'S		
	2016/17 NTPC capital budget originally approved	Adjustments to capital spend	2016/17 NTPC requested revised capital budget
Alternative power generation	181	(15)	166
Corporate Services	1,917	(918)	999
Transmission, distribution and retail	4,957	(707)	4,250
Thermal generation	5,906	(69)	5,837
Hydro generation	14,887	(5,944)	8,943
GNWT Funding	-	(760)	(760)
	27,848	(8,413)	19,435
% variance in budget		-30%	

NTPC is respectfully requesting your approval for this change in the capital budget as required per the GNWT Planning and Accountability Framework.

We enclose duplicate copy of this letter for your approval and signature. Please return this to us at your earliest convenience.

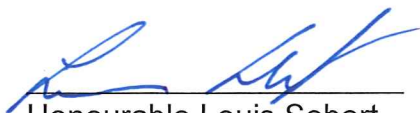
Sincerely,



Emanuel DaRosa
President & CEO
Northwest Territories Power Corporation

Enclosure

Approved by:



Honourable Louis Sebert,
Minister Responsible for the
Northwest Territories Power Corporation