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Qulliq Energy Corporation
Société d'énergie Qulliq
Qulliq Alruyaktuqtunik Ikumatjutiit

Frequently Asked Questions New Territory-wide Rates

What are QEC's new territory-wide rates and how will they affect customers?

Qulliq Energy Corporation has shifted to new territory-wide electricity rates for its customers. The Minister responsible for QEC approved the following new rates to come into effect on October 1, 2022:

- Non-government residential rates at 62 cents per kilowatt hour
 - Under Nunavut's Electricity Subsidy Program, all non-government residential customers pay 50% of the Iqaluit rate (now 31 cents per kilowatt hour) on energy usage up to 700 kilowatt hours from April 1 to September 30 and 1000 kilowatt hours from October 1 to March 31. Any usage exceeding the subsidy limit is billed at full cost. The territory wide rate structure will provide significant savings to customers whose monthly usage exceeds the territorial subsidy.
- Non-government commercial rates at 51 cents per kilowatt hour
- Government residential rates at 93 cents per kilowatt hour
- Government commercial rates at 87 cents per kilowatt hour

To minimize the financial impacts of this rate change on non-government residential and commercial customers, government electricity rates have increased to lower rates for non-government customers. A new municipal tax-based rate was also approved at the same rates as non-government customers to avoid negative financial impacts on residents. The corporation was also approved to increase streetlight rates by 5%.

How will these changes appear on customers' monthly bills and when will they be implemented?

Customers can expect to see these changes on their October monthly bills. Due to the different classes of customers and subsidy programs available to Nunavummiut, the impact of the new electricity rates on customers' bills will vary.

For example, the following changes can be expected for non-government customers across Nunavut as of October 1, 2022:

- Due to the government's subsidy program, residential customers whose energy usage is within 700 kilowatt hours from April 1 to September 30 and 1000 kilowatt hours from October 1 to March 31 would only see an increase of 1.5 cents per kilowatt hour. For the average customer who



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uses 500 kilowatt hours a month, this would increase amounts owing on monthly bills by approximately \$8.

- Commercial customers in Iqaluit would see an increase of 2.5 cents per kilowatt (5%) which would increase amounts owing on monthly bills by approximately \$52 (with energy usage of 2000 kilowatt hour). Commercial customers in all other communities would see a decrease to the new territory-wide commercial rate. For example, Whale Cove previously had the highest commercial customer electricity rate in the territory. A commercial customer in this community could see a monthly bill decrease of approximately \$1,303 (with energy usage of 2000 kilowatt hour) on their next monthly bill.

How were customers previously being charged for electricity?

QEC's previous rate structure was inherited from the Northwest Territories Power Corporation and included different rates for each community. When rate adjustments were implemented on an equal percentage basis across all customer types, it would disproportionately impact smaller communities who had higher rates, making their electricity rates increase significantly more than larger communities with lower rates. For this reason, a territory-wide rate design was approved to provide a system that is equitable to QEC customers.

Why did QEC propose changes to the electricity rates?

QEC proposed a shift from the previous community-based rate structure to a territory-wide electricity rate to provide power in a way that is more equitable for customers. Under this new structure, all customers of the same type pay the same electricity rate regardless of where they are located in Nunavut.

Additionally, a significant portion of QEC's costs have changed because of increasing operating expenses. The change in electricity rates will cover the corporation's revenue needs.

What are QEC's revenue needs?

QEC's revenue needs are the total cost of providing electrical service to customers (operations and maintenance, salaries and wages, travel, fuel, and electrical infrastructure upgrades and rebuilds).



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How did QEC get approved to change customer electricity rates?

A general rate application (GRA) is a request to change electricity rates. QEC submitted an application to the Minister responsible for QEC in March 2022 and received approval on October 21, 2022.

Who makes the final decision about electricity rate changes in Nunavut?

The Minister responsible for QEC makes the final decision on any changes to electricity rates. The Minister seeks advice from the Utility Rates Review Council (URRC) and the Government of Nunavut's Executive Council.

Who is the Utility Rates Review Council (URRC)?

The URRC is an independent advisory body that reviews and provides recommendations on QEC's applications for changes to electricity rates.

When was the last time electricity rates changed?

The last adjustments to electricity rates was a 6.6% increase over a two-year period. A 3.3% increase came into effect on May 1, 2018, and a 3.3% increase came into effect on April 1, 2019.

What is the process for submitting a GRA?

1. QEC submitted an application to the Minister responsible for QEC to approve changes to the electricity rates.
2. The Minister sought the advice of the URRC regarding QEC's proposed changes.
3. The URRC requested input from the public through community consultations and by email to URRC@gov.nu.ca.
4. The URRC completed the application review and provided recommendations to the Minister responsible for QEC.
5. The Minister sought advice from Executive Council and provided instructions to QEC.

How long did the GRA process take?

The GRA process took about six months to complete.

Where can I find more information on QEC's new territory-wide rates?

More information on QEC's customer rates can be found online at www.qec.nu.ca.