



## Frequently Asked Questions

### Fuel Stabilization Rate (FSR) Fund

#### 1. What is the Fuel Stabilization Rate (FSR) Fund?

Qulliq Energy Corporation (QEC) maintains an FSR Fund. The purpose of the FSR Fund is to offset the price differences that arise between actual fuel prices and the price of fuel used in setting the current electricity rates in Nunavut.

#### 2. How does QEC address the fluctuations in the FSR Fund?

The Corporation must apply to the Minister responsible for QEC for a fuel rider charge, or refund, if at any time the FSR Fund is expected to exceed the threshold balance of plus or minus \$1 million within a six-month period. QEC recently submitted an application to the responsible minister requesting a fuel rider charge.

#### 3. What is a fuel rider charge or refund?

It is an additional charge or refund on customer bills intended to recover a deficit or refund a surplus in the FSR Fund. It is determined by changes in the price of fuel.

If current fuel prices are higher than the fuel price that was used in setting the current electricity rates, it may result in an FSR Fund deficit where the shortfall is collected from customers through a charge on monthly bills.

If current fuel prices are lower than the fuel price that was used in setting the current electricity rates, it may result in an FSR Fund surplus that is refunded to the customers through a refund on monthly bills.

#### 4. What is the proposed fuel rider amount for this FSR application?

The current FSR application is seeking approval to apply a fuel rider charge of an additional 1.25 cents per kilowatt-hour to QEC customers for the period of November 1, 2018, to March 31, 2019.

#### 5. How does the fuel rider impact my monthly power bill?

Customers who use approximately 500 kilowatt-hours per month can expect to see an increase of about \$6.25 (excluding GST) on their monthly bill.



---

## **6. When will the fuel rider charge be applied to customer power bills?**

QEC has applied for the rider charge to be in effect beginning November 1, 2018. Customers will first see this increase on their November monthly utility bill, which will be mailed out in December. This allows the charge to be applied immediately to address the forecasted deficit in the FSR Fund.

## **7. Why is QEC proposing a fuel rider charge?**

The proposed fuel rider charge is the result of the increased price of fuel in the territory as of November 1, 2018.

## **8. When was the last fuel rider charge applied?**

This is the first time since 2013 that there has been a FSR rider charge applied to monthly power bills due to changes in the price of fuel. The previous fuel rider was a refund of 5.41 cents per kilowatt-hour. This ended on May 1, 2018, after the approval of QEC's new electricity rates.

## **9. Will customers in public housing see an increase on their monthly bill?**

The fuel rider does not apply to customers in public housing. All tenants in public housing who are under the User Pay Power Program will continue to pay six cents per kilowatt-hour toward their monthly power consumption. The Nunavut Housing Corporation will pay the FSR rider charge for these customers.

## **10. Is the fuel rider subsidized by the Nunavut Electricity Subsidy Program?**

The fuel rider is not subsidized by the Nunavut Electricity Subsidy Program. Customers under the program will have the fuel rider charged as a separate line item on their monthly power bills.

## **11. What is the process for filing an FSR application?**

The steps for an FSR application are:

1. QEC applies to the Minister responsible for QEC for approval of a fuel rider;
2. The Minister responsible for QEC forwards the application to the Utility Rates Review Council (URRC) for review and recommendations;
3. The Minister responsible for URRC may impose an Interim FSR rider while the application is under review;
4. In reviewing the application, the URRC will seek input from the public;



ᖃᑦᑕᑦᑲᑦ ᐅᐱᐱᖅᑲᑦᑲᑦ ᑲᑦᑲᑦ  
Qulliq Energy Corporation  
Société d'énergie Qulliq  
Qulliq Alruyaktuqtunik Ikumatjutiit

- 
5. Once the review is completed, the URRC shall report its recommendations concerning the application to the Minister responsible for QEC; and
  6. The Minister, after seeking the advice of Executive Council, will issue instructions to QEC.

## **12. Where can I find more information on QEC's FSR application?**

For more information on QEC's fuel rider, please visit the QEC website at [www.qec.nu.ca](http://www.qec.nu.ca) or call the Customer Care division at 1-866-710-4200.