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Qulliq Energy Corporation
Société d'énergie Qulliq
Qulliq Alruyaktuqtunik Ikumatjutiit

Frequently Asked Questions General Rate Application

What is a general rate application?

A general rate application (GRA) is a request to change electricity rates.

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

An application is submitted to the Minister responsible for Qulliq Energy Corporation (QEC). 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.

Why is QEC proposing changes to the electricity rates?

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.

When was the last time electricity rates changed?

The last adjustments to electricity rates came into effect on May 1, 2014. There was a 7.1% increase in electricity rates.

How will the proposed electricity rate changes affect customers?

QEC is proposing a 7.6% average rate increase to meet QEC's 2018-2019 revenue needs. In order to minimize rate impacts to customers, QEC is proposing to phase-in the required rate increase over a two year period, 2018 and 2019. This means average rate increases will be around 3.6% for each year.



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When will customers expect to see a change in electricity rates?

If the GRA is approved, customers can expect to see the first increase on April 1, 2018 and the second on April 1, 2019.

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 rates requested by QEC would result in bill increases in the first year of approximately \$40 per month and in the second year of approximately \$20 per month, for residential customers using 700 kWh per month who are eligible for the Nunavut Electricity Subsidy Program.

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).

What is the current electricity rate structure?

Currently each community has a different electricity per customer type. QEC inherited this existing rate structure from the Northwest Territories Power Corporation. QEC is proposing to move to a territory-wide rate structure.

Why is QEC proposing to change from the current rate structure to a territory-wide rate?

Moving to a territory-wide electricity rate will be a more equitable rate structure for all customers. Under a territory-wide rate, all customers of the same type would pay the same rate regardless of where they live.

Moving to a territory-wide rate means rates will increase in some communities and decrease in other communities. QEC is proposing to complete the transition gradually over six years.

