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Qulliq Energy Corporation
Société d'énergie Qulliq
Qulliq Alruyaktuqtunik Ikumatjutiit

March 24, 2026

Honourable Gwen Healey Akearok
Minister Responsible for Qulliq Energy Corporation
Government of Nunavut
P.O. Box 2410
Iqaluit, Nunavut X0A 0H0

Dear Minister Gwen Healey Akearok,

RE: Fuel Stabilization Rate Fund – Balance Update




In accordance with the Ministerial instruction dated May 30, 2014, Qulliq Energy Corporation (QEC) prepares forecasts of the balances in the Fuel Stabilization Rate Fund (FSRF). The Minister's instruction requires QEC to apply to the responsible Minister for a fuel rider if, at any time, the balance in the FSRF is expected to exceed the threshold of plus or minus \$1 million within six months.


Since April 1, 2025, the fuel rider was set at \$0/kWh because the FSRF balance was forecasted to stay within its \$1 million threshold.

QEC has prepared an updated forecast and proposes a 1.50 cent/kWh FSRF refund from April 1, 2026, to September 30, 2026. The forecast indicates that without a rider, the projected balance in the fund on September 30, 2026, would be approximately \$1.3 million QEC owing to its customers.


Attached are schedules summarizing the forecast monthly balances in the FSRF through September 30, 2026. The schedules are based on the following information and assumptions:

1. **Bulk Fuel:** Actual fuel prices for bulk fuel delivered and price forecasts based on the 2025 resupply season actuals.
2. **Nominated Fuel Prices:** Actual nominated fuel prices up to January 2026. Nominated fuel prices for February through September 2026 reflect the current nominated fuel prices effective January 2026.
3. **Fuel Inventory:** Forecast fuel prices reflect weighted average fuel prices based on fuel inventory and a mixture of bulk fuel and nominated fuel deliveries.
4. **Sales and Generation:** QEC's most recent 2026/27 generation and sales forecasts.

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The difference between the forecast fuel prices and those approved in the 2025/26 GRA calculates the monthly charges or credits to the FSRF.

The proposed refund of 1.50 cents/kWh was calculated to target a zero balance in the FSRF by September 30, 2026, based on a refund implemented effective April 1, 2026. QEC is seeking a refund implementation period that ends September 30, 2026. The following application will reflect any required adjustments because of changes in fuel prices or balances in the FSRF account.




Considering that the FSRF rider application review and approval process will be completed after April 1st, 2026, QEC requests an interim refundable FSRF rider for the period between April 1, 2026, and the final approval date of the current application. Refunds issued under the interim refund rider will be credited to the FSRF account to benefit customers.


The expected bill impact of the fuel refund rider is a reduction of \$7.88 (including GST) per month to non-government residential customers using 500 kWh/month.

In summary, QEC requests the Minister's approval of a 1.50 cent/kWh FSRF refund for the period of April 1, 2026, to September 30, 2026.


Sincerely,

Ernest Douglas
President and CEO
Qulliq Energy Corporation

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