

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 refund.

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 refund of a 1.25 cents per kilowatt-hour to QEC customers for the period of October 1, 2020, to March 31, 2021.

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

Based on current electricity rates, residential customers who use approximately 500 kilowatt hours per month can expect to see a refund of approximately \$6.60 (including GST) on their monthly bill.



6. When will the fuel rider refund be applied to customer power bills?

QEC has applied for the rider refund to be in effect beginning October 1, 2020. Customers will first see this decrease on their October monthly utility bill, which will be mailed out in November. This allows the refund to be applied immediately to address the forecasted surplus in the FSR Fund.

7. Why is QEC proposing a fuel rider refund?

The proposed fuel rider refund is the result of lower fuel price compared to the fuel price that was used in setting the current electricity rates.

8. When was the last fuel rider refund applied?

The last fuel rider was a refund of 2.76 cents per kilowatt-hour effective April 1, 2020. This refund rider ended on September 30, 2020.

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 receive the FSR rider refund 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 credited 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;
- 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 or call the Customer Care division at 1-866-710-4200.