

Fuel Stabilization Rate Fund

Qulliq Energy Corporation will adopt the following procedures with respect to implementation of the fuel stabilization rate fund and adjustment mechanism for fuel price increases or decreases:

- The balance in the fuel stabilization rate fund as of April 1, 2005 shall be zero;
- The amount charged or credited in each month to the fund will reflect the following adjustment formula for each community:

Actual or forecast generation in kWh / last URRC approved efficiencies in kWh per liter * actual change in the price per liter or forecast change in the price per liter;

- Interest shall be charged to or deducted from the fuel stabilization rate fund balance based on short term interest rates. At the time of each FSR application QEC may request approval for waiver of the interest charge for a given period having regard to materiality of the charge and the administrative costs involved;
- If at any point in time the forecasts indicate the fund balance will exceed the threshold of plus or minus \$1 million within a six month period, the Corporation shall apply to the Responsible Minister for approval of a Nunavut wide fuel rider designed to recover or refund the balance in the fund over a suitable period targeting a zero balance at the end of the above mentioned six month period, when recovery or refund is complete;
- To the extent accommodated by the Corporation's billing system, the Nunavut wide fuel rider shall be on an across the board cents per kilowatt hour basis.

INSTRUCTION TO QULLIQ ENERGY CORPORATION

Revision dated May 30, 2014

Utility Rates Review Council Act

The Honourable Paul Okalik, Minister responsible for Qulliq Energy Corporation