



Fuel Stabilization Rate (FSR) Application

Frequently Asked Questions

What is an FSR rider?

It is an additional charge or credit on your bill at a cents/kWh rate amount that is designed to recover or refund changes in fuel prices.

What is the Fuel Stabilization Rate Fund (FSRF)?

QEC maintains a Fuel Stabilization Rate Fund (FSRF). The purpose of the FSRF is to track the difference between fuel prices included in base electricity rates approved in the most recent General Rate Application (GRA) and actual fuel prices paid by QEC.

What is an FSR application?

An FSR application addresses fluctuations in the Fuel Stabilization Rate Fund. The FSR application is submitted to the Minister responsible for QEC.

When should QEC file an FSR Application?

QEC prepares an FSRF forecast every 6 months. When actual fuel prices vary from those included in approved base electricity rates, the FSRF is charged or credited with the difference. When the balance in the FSRF exceeds the \$1 million negative or positive threshold, a rider is required to return the forecast FSRF balance to zero.

Where can I get a copy of the FSR application?

Documentation relating to the application is posted on the QEC website at www.qec.nu.ca or can be received upon request.

What is the process for filing an FSR application?

The steps for an FSR application are:

- QEC brings forward an application to the Minister responsible for QEC to seek approval to change a rate rider or refund rider;
- The Minister responsible for QEC forwards the FSR application to the Utility Rate Review Council (URRC) for review and recommendations;



- In carrying out the review of the application, the URRC will also seek input from the public;
- Once the URRC completes the review of the application, the URRC shall report its recommendations concerning the application to the Minister responsible for QEC; and
- The Minister, after seeking the advice of the Executive Council, will issue instructions to QEC.

What is the proposed rider amount for this FSR Application?

The third FSR application is seeking approval to refund back the surplus in the fund to QEC customers at 5.26 cents/ kWh for the period of October 1, 2016 to March 31, 2017.

When was the last time a rider was charged?

The last FSR was initiated to offset decreases in fuel prices and a rider refund of 3.07 cents/kWh was credited to customers' monthly bills for the period covering April 1, 2016, to September 30, 2016.

How does this 5.26 cents/kWh refund rider impact my monthly power bill?

The refund will be automatically deducted from customers' monthly power bills. For example, this refund rider would reduce the monthly electricity bill for a customer who uses 700 kWh/month by approximately \$36.82 (excluding GST).

What do customers need to do to receive the refund?

Customers do not need to do anything to receive the refund. The refund rider will be automatically applied as a credit to their monthly power bills.

When will customers see a rider on their bills?

QEC is seeking an interim refund rider to start on October 1, 2016, while the application is under review. This allows for the refund rider to be applied immediately to address the forecast FSRF balance.

Will customers in public housing receive the refund rider?

The refund 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 6 cents per kWh toward their monthly power consumption.



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Is the FSR rider subsidized by the Nunavut Electricity Subsidy Program (NESP)?

The FSR rider is not subsidized by the NESP. Customers who are qualified under the NESP will have the FSR rider charged or refunded as a separate line item on their bills.