QULLIQ ENERGY CORPORATION

on behalf of

Nunavut Power Corporation

General Rate Application

September 2004

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QULLIQ ENERGY CORPORATION
on behalf of
NUNAVUT POWER CORPORATION

General Rate Application

CHAPTER 1

1.0 Executive Summary

1.1 Introduction

Chapter 1 summarizes the Qulliq Energy Corporation (QEC) General Rate Application (GRA) submitted on behalf of Nunavut Power Corporation (referred to as either the Corporation or NPC) for the Test Year 2004/05. This is the first General Rate Application filed on behalf of NPC and represents the first time since Division[1] from Northwest Territories Power Corporation (NTPC) on April 1, 2001, that the Corporation has requested a comprehensive rate review.

This GRA reflects the experience acquired by NPC in identifying the costs of continuing the operations originally carried on by NTPC in Nunavut.

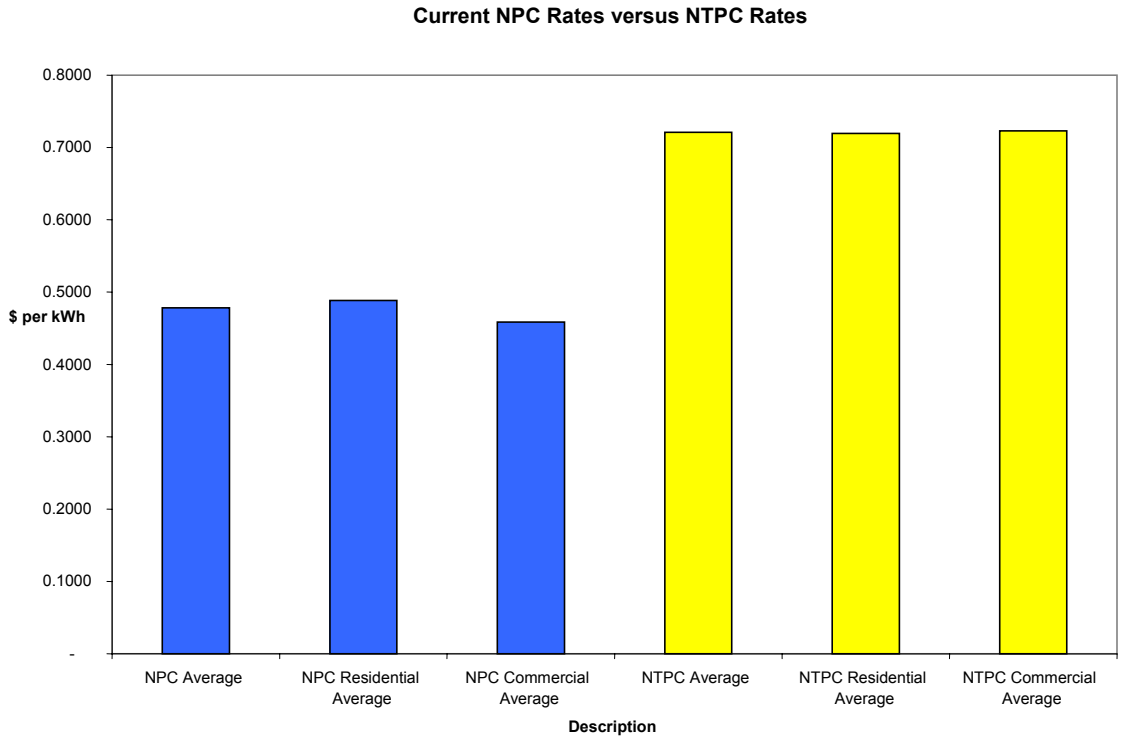
[1] References to Division in this document refer to the Division of NPC from NTPC on April 1, 2001 and not the earlier division of Nunavut (NU) from the Northwest Territories (NT), unless specific reference is made to the NU/NT Division.

Since Division in 2001 there have been significant changes to the Corporation's asset base, debt, equity, costs of service and the demand for electricity in Nunavut communities.

The rates presently in place in Nunavut were established as the result of a NTPC General Rate Application to the Northwest Territories Public Utilities Board in 1997/98 for communities in the Eastern and Central Arctic. Qulliq Energy Corporation anticipates continuing to operate until March 31, 2005 under the rates approved as the result of that application.

The Northwest Territories Power Corporation, on the other hand, has filed a GRA, increased rates and made further adjustments to rates to recover increased fuel costs through fuel rate riders when necessary.

The following chart compares NPC average rates to NTPC average rates for diesel communities as of the date of this application.



1.1. 2 Corporate Structure

QEC is a Crown Corporation owned 100% by the Government of Nunavut (GN). Nunavut Power Corporation (NPC) was established by the Nunavut Power Utilities Act. It was renamed Qulliq Energy Corporation and the Nunavut Power Utilities Act was renamed the Qulliq Energy Corporation Act as the result of legislation passed in March 2003. Consolidations of the Nunavut Power Utilities Act and amending Acts are included with this Application in Appendices A, B, C and D.

As of April 1 2005, it is anticipated that QEC will have responsibility for both the provision of electricity and petroleum products to Nunavut communities. Whether or not the transfer of Petroleum Products proceeds as of 2005, there will be a

subsidiary of Qulliq Energy Corporation named Nunavut Power Corporation providing electricity in Nunavut.

1.1.3 Summary of Changes Requested

Qulliq Energy Corporation on behalf of the subsidiary requests the following:

- a determination of the rate base for the Corporation's property that is used or required to be used in the provision of electricity and related services to the public within Nunavut including an appropriate allowance for working capital commencing on April 1, 2004 and ending March 31, 2005 (the Test Year);

- a determination of the Corporation's Revenue Requirement for the Test Year for the provision of electricity and related services to the public in Nunavut;

- the re-institution of an effective Rate Stabilization Fund to mitigate the impact of changing fuel prices on electricity rates, including, a clearly defined process to be followed to implement a fuel rider as and when required;

- the approval of a rate structure appropriate to Nunavut and its communities. Three options for rate structure are provided in this GRA, with the recommendation that a territorial rate structure be implemented.

- the approval of revised Terms and Conditions of Service (April 1, 2005);

- and such further approvals as the Corporation may request and the URRC recommend. (For a detailed list of all the items the Corporation is requesting, see Appendix F, Table 1.1.1)

1.2 Why is this General Rate Application necessary?

As the supplier of electricity in Nunavut, the Utility Rate Review Council Act requires the Corporation obtain approval of the Responsible Minister in order to change rates. Before approving the Corporation's rates, the Minister Responsible is obliged by legislation to seek the advice of the Utilities Rate Review Council (URRC).

As the Corporation operates in a dynamic environment where a significant portion of its costs are subject to change, it must make periodic assessments as to whether the existing rates are adequate to cover operating expenses, meet capital expenditure requirements, service debt and provide a fair return on equity.

Since Division from NTPC, the Corporation has experienced significant operating losses primarily because its revenues have not kept pace with rising operating costs. At Division, on March 31, 2001, the Corporation's share of retained earnings was $43.4 million. Since that time there has been a significant deterioration in retained earnings.

The following chart discloses the steady decline in retained earnings during the fiscal years ended March 31, 2002, 2003, 2004, and forecast for 2005. These figures do not include a recent $4 million GN contribution and a planned $10 million GN contribution in lieu of a fuel rider.

The Corporation requires rate relief in order to continue to provide service in a safe and reliable manner and to address violations of debt covenants and legislative requirements. The Corporation's insufficient revenues have placed a severe constraint on its ability to meet its financial obligations as they come due.

This inaugural GRA will provide an opportunity to all stakeholders, including customers, to assess the Corporation's actual and proposed performance, and provide valuable feedback on the proposed Revenue Requirement. The Corporation recognizes that the URRC will conduct a thorough review of this Application and will solicit public comment in order to ensure that the new rate structure will serve Nunavut into the future and that the new rates are adequate and necessary to provide safe and reliable service to customers in Nunavut.

1.3 What about Safety and Reliability?

The Corporation strives to continually improve its service reliability and actively promotes safety awareness amongst its employees and the general public. Safety considerations are incorporated into every aspect of the Corporation's operations. For the year ending March 31, 2004, reliability across the NPC system exceeded 99.83%.

The Workers' Compensation Board of Northwest Territories and Nunavut, recently recognized Nunavut Power Corporation in the large employer category for the third year in a row for the undertaking of safety activities throughout the year.

1.4 What about Environmental Responsibility?

The Corporation is keenly aware of its responsibility to manage its operations in a manner which minimizes the impact on the environment. The level of responsibility is significant because the Corporation is totally dependent on the use of diesel fuel to generate power. The Corporation uses in excess of 40 million of liters of fuel a year. QEC is committed to reducing this dependency.

QEC was instrumental in drafting the Government of Nunavut Energy Action Plan approved in principle by Cabinet in December 2003, a copy of which is included in Appendix E.

The capital expenditures budgeted for the Test Year 2004/05 and the following year, include the construction of residual heat systems. These systems will allow

several of the Corporation's customers to displace fuel as their primary source of heat and make a corresponding reduction in green house gas emissions.

Wind and hydro opportunities in Nunavut have the potential to significantly reduce fuel consumption and green house gas emissions. As the price of diesel fuel increases, these projects become even more necessary and more viable.

Demand side management opportunities will be explored where projects have the potential to facilitate energy conservation in Nunavut's communities and have the potential to defer supply side capital expenditures. The Corporation is proposing demand side education and information initiatives to improve customer knowledge on how to reduce electricity consumption.

1.5 What is the Corporation's Revenue Requirement?

In order to establish the Corporation's total Revenue Requirement, QEC is seeking approval of the costs for the Test Year 2004/05. These costs include all operating costs, amortization, debt service and a fair return on equity. During the GRA process, the changes that have occurred since the last NTPC GRA and their ongoing financial impact will be considered.

This GRA process includes the review of the Corporation's costs of providing service. The total cost of providing service is evaluated given all the known and anticipated changes that will or could impact on operations. Based on this evaluation and the estimated sales of electricity for the Test Year, the total Revenue Requirement, as well as the revenue deficiency for the Test Year will be determined.

QEC is applying for a total Revenue Requirement of $77.2 million for the Test Year 2004/05. A summary of the Revenue Requirement and the forecast revenue deficiency is included in Appendix F, Table 1.5.1.

The deficiency of $19.7 million noted in Appendix F, Table 1.5.1 is the difference between the revenue required to operate QEC and the revenue that would be collected based on existing rates and projected kWh sales of electricity. The Revenue Requirement increase is 34.3%.

What follows is a discussion of the major components of the Corporation's Revenue Requirement.

1.5.1 Fuel and Lubricants

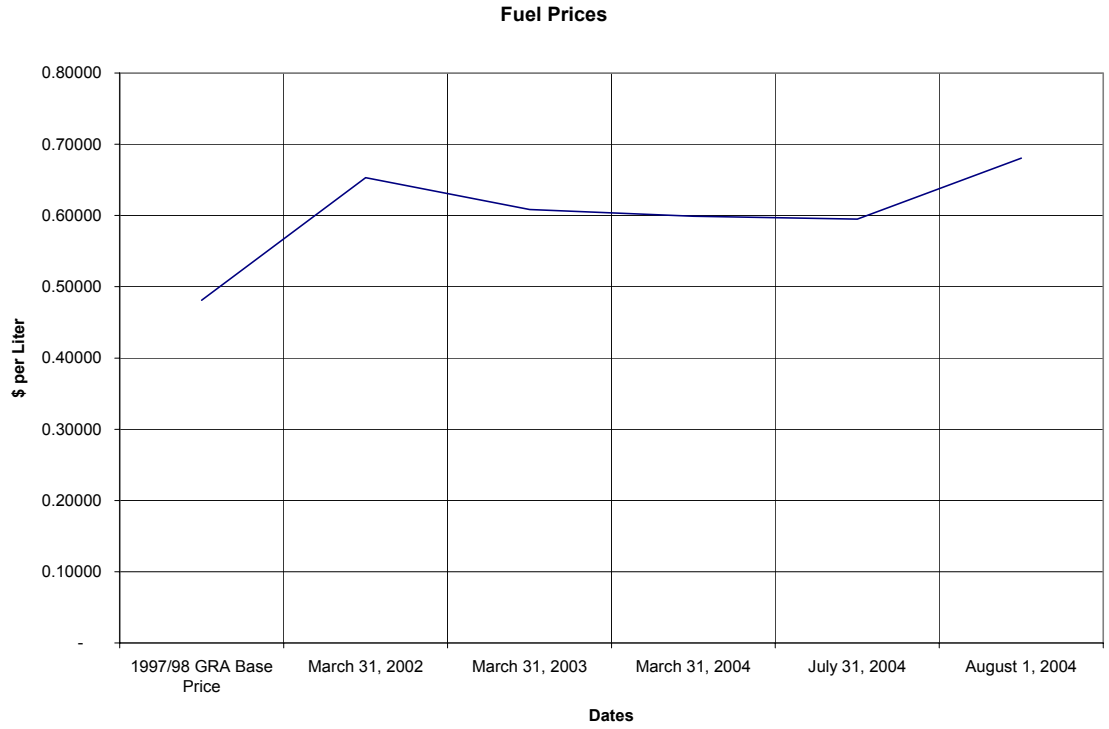
Fuel and lubricants comprise approximately 35.8% of the 2004/05 Revenue Requirement. The average per liter fuel price has increased by 41.4% (Appendix K, Table 8.3.2) since the GRA that established the existing rates. All Nunavut communities at the present time are completely dependent on diesel to produce electricity. There is no inter-community grid. While QEC is working to develop projects that would see a reduction in overall diesel consumption, the implementation of these initiatives and the exact nature and extent of the reduction in consumption will not be known for some time.

The Corporation is applying for the reinstatement of the Rate Stabilization Fund so that increases in costs related to diesel fuel or decreases, should they occur, will be flowed through. The Corporation would prefer to avoid rate spikes resulting from an accumulation of fuel price increases over a period of years. GN contributions of $4 million and $10 million in March 2004 and the main estimates

for 2004/05 respectively, have offset the accumulation of fuel price increases carried over from Division up to March 31, 2004.

The following chart discloses the change in average fuel price since the last GRA in 1997/98 through the fiscal years ended March 31, 2002, 2003, 2004, including the August 1, 2004 increase which set the prices for the remainder of the fiscal year ending March 31, 2005.

The fuel price increases prior to Division were partially offset by the fuel rider that was in place during the fiscal year ended March 31, 2002. As noted above, the GN is in the process of providing the Corporation with funding in lieu of a fuel rider for the fuel stabilization deficit incurred to March 31, 2004.



Appendix F, Table 1.5.3 lists fuel expenditures by region and plant for the Test Year.

1.5.2 Salaries and Wages

The Corporation's employees operate and maintain twenty-six (26) diesel generation power plants in 25 communities, provide mechanical, electrical and line maintenance from three regional centers, and administer the Corporation's business activities from offices in Iqaluit and Baker Lake.

Salaries and wages comprise approximately 22.4% of the 2004/05 Revenue Requirement. The average hourly wage has increased since the GRA that established the existing Rates. Two collective agreements will have expired between the time the Corporation's current rates came into effect and April 1, 2005 when the Corporation's new rates are to come into effect.

At March 31, 2004, the Corporation employed 139 full time employees, of which, 71 or 51.1% were Nunavut Land Claims Beneficiaries.

Eighty-two percent (82.0%) or 114 of the Corporation's full time employees are members of the Nunavut Employees Union (NEU) at March 31, 2004. The collective agreement between the Corporation and the NEU presently in effect expires December 31, 2004

Eighteen percent (18.0%) or 25 of the Corporation's employees were Excluded Employees at March 31, 2004. The Corporation has adapted the Government of Nunavut Excluded Employee Handbook to replace the Northwest Territories Power Corporation Excluded Employee Handbook. This document describes the

terms and conditions of employment with the Corporation for excluded or non-union employees.

Appendix F, Table 1.5.3 lists salaries and wages expenditures by region and plant for the Test Year.

1.5.3 Supplies and Services

Supplies and services comprise approximately 16.8% of the Revenue Requirement. The most significant expenditure incurred in the supplies and services category is engine overhauls. The Corporation operates and maintains a total of 88 diesel engines in the 26 plants as of March 31, 2004. The total number of engines will increase by one during the Test Year as the result of a plant expansion in Arviat.

New engines are considered capital expenditures and the amortization of the engines becomes a portion of the Revenue Requirement as noted in the discussion on amortization below.

The operation and maintenance of engines is charged to fuel and lubricants and supplies and services respectively. The timing of engine overhauls are usually based on the manufacturer's recommended maintenance schedule, however, unscheduled overhauls are sometimes required.

The second most significant expenditure incurred in the supplies and services category is housing. The Corporation recognizes that:

- Qualified staff must be in place throughout the territory in order to provide safe and reliable electricity to customers in all communities

- Nunavut communities do not currently have a range of affordable housing options that would be available in other Canadian jurisdictions

- Availability of housing has a positive effect on recruitment and retention of employees and therefore facilitates the provision of reliable and safe electricity to customers

- Attrition resulting from inadequate or unavailable housing results in additional recruitment and relocation costs

The Corporation's housing comprises a combination of owned and leased units:

- owned units are included as capital assets in the Corporation's rate base
- the cost of leased units is included as an operating expense
- the Corporation charges rent to employees and the resulting rental income is offset against housing expenditures, thereby reducing the Revenue Requirement.

The Corporation intends to increase the number of owned units and where owned units are not available, will continue to lease units to ensure employees are adequately housed.

Appendix F, Table 1.5.3 lists supplies and services expenditures by region and plant for the Test Year.

1.5.4 Amortization and Capital Expenditures

Amortization comprises approximately 8.4% of the Revenue Requirement. Since the last GRA some 6 years ago, the Corporation has undergone a significant growth in operations, necessitating several capital additions. On Division, NPC was allocated capital assets with a net book value of $100.7 million. As of March 31, 2004, QEC had capital assets with a net book value of $112.8 million, a net increase of $12.1 million over March 31, 2001.

The Corporation expects to complete several capital additions during the Test Year. As a result, capital assets and amortization are expected to increase. An increase in capital assets represents a corresponding increase in the rate base. An increase in amortization represents an increase in the Revenue Requirement and decrease in the rate base.

1.5.5 Interest on Short Term and Long Term Debt

There was $61.0 million of long-term fixed rate debt incurred by the Corporation to finance the NPC portion of the debt of the former combined operation and to pay for capital expenditures. There has also been $16.0 million in short-term floating rate debt incurred. This short-term debt has been used to finance a portion of the capital asset additions during 2001/02, 2002/03 and 2003/04.

During the Test Year, the Corporation intends to incur additional short-term floating-rate debt of $10.0 million to finance capital asset additions. The

Corporation will be reviewing opportunities to convert the total short term floating rate debt to long term fixed rate debt. While short-term rates are presently lower than long-term rates, the Corporation may determine that it is prudent to avoid the risk of an increase in the cost of borrowing by converting the short-term debt to long-term debt.

The Corporation's Revenue Requirement includes a return on rate base that includes interest expense and provides the cash flow for long term debt repayment. The interest expense appears as a line item on the Corporation's Statement of Income. Increases in debt and decreases in debt are disclosed as line items on the Corporation's Statement of Cash Flow. The Corporation's Revenue Requirement will include sufficient net income to provide the cash flow required for scheduled long-term debt repayment. Interest comprises approximately 5.7% of the Revenue Requirement.

1.5.6 Travel and Accommodations

Travel and accommodations comprise approximately 4.5% of the Revenue Requirement. The Corporation's travel and accommodation costs are primarily incurred for:

- scheduled maintenance
- emergency maintenance
- medical
- training
- administration

Travel and accommodations relating to capital expenditures are capitalized and amortized.

Appendix F, Table 1.5.3 lists travel and accommodations expenditures by region and plant for the Test Year.

1.5.7 Revenues

Growth in sales has offset some of the increased costs of doing business. This growth is primarily attributed to residential construction, commercial construction and continuing additions to municipal and territorial government infrastructure in Nunavut. Further growth is expected during the Test Year.

QEC must collect sufficient revenue in order to remain viable. The Corporation has a mandate to operate as a business, and yet, as a regulated utility, it does not have control over rates. QEC has a responsibility to provide electricity service to all Nunavummiut, with most customers located in isolated communities scattered over a very large geographic area. The costs to ensure safe and reliable service in growing communities are increasing.

Since the NTPC GRA of 1997-98, significant changes have combined to expand the gap between existing revenues and the Revenue Requirement in this application. For example:

- Fuel prices have increased and the Corporation is dependent on diesel fuel.

- As capital assets age and are removed from service, capital expenditures in today's dollars are incurred in order to maintain generation capacity.

- As communities grow, capital expenditures are incurred in order to increase generation capacity.

- The need to replace capital assets at the end of their useful lives and add capital assets to meet load growth has increased the Corporation's borrowings, resulting in additional debt servicing costs and higher amortization costs.

- As the result of Division, a new and different set of operating costs and operating locations were established to provide financial administration, engineering, information technology and operational capability.

The Corporation has incurred operating losses every year since Division and retained earnings have been depleted from $43.4 million to $24.6 million as at March 31, 2004. Revenues have increased, however, they have not kept pace with increasing operating and capital costs. It is critical that financial viability be restored.

In 2003/04 and in the 2004/05 territorial budget, the GN recognized the critical nature of the Corporation's financial situation and committed a total of $14.0 million in funding in lieu of a fuel rider. Without this commitment, the Corporation's equity at March 31, 2004 would have been $14.0 million lower and the forecast for the Test Year would have indicated the Corporation's equity in a deficit position of $2.6 million by March 31, 2005.

1.6 Rate Structure

Once the Revenue Requirement has been established, it will be necessary to choose a Rate Structure. The Rate Structure will determine how the total Revenue Requirement will be allocated to customer classes in Nunavut communities.

For the purpose of establishing rates and rate structures, customers are usually categorized into rate groups or customer classes, for example, commercial, residential, and sub groups like commercial government and commercial non-government. In the past, Nunavut customers were further categorized by community.

Possible rate structures are discussed in Chapter 11 of this General Rate Application. The Corporation proposes to discontinue the community rate structure and treat all Nunavummiut equally by implementing a territorial rate structure. The Corporation also proposes that the adjustments necessary to move to a territorial rate structure could be implemented over three years.

The current community based rate structure leads to inequities and high administrative and billing costs. The proposed territorial structure will result in increases in some communities and decreases in others, but would be neutral to the total Revenue Requirement of the Corporation.

1.7 Impact of this General Rate Application on Customers

The objective of the rate setting process is to establish rates that are fair and reasonable for all customers in all communities. The extent of the change in rates, from the currently approved rates, and, the effect of the change in rate structure, from the currently approved rate structure, will not be known until the URRC report is approved by the Responsible Minister.

The impacts of this application will include the approval of the Corporation's Revenue Requirement, rate structure, rates, terms and conditions of service and the re-establishment of the Rate Stabilization Fund.

- While the extent of rate increases and decreases will not be known until the GRA process is completed, customers should anticipate a change in their electrical bills by April 2005. A final decision on the Corporation's GRA may not be known until early 2005 as the URRC has 90 days to make a recommendation to the Minister of Energy.

- The Corporation is seeking approval of new rates to ensure that the increased cost of doing business today is charged to customers now rather than later. Customers in Nunavut have not experienced a rate increase since the last GRA, and since that time, the Corporation's financial situation has deteriorated significantly. Without rate relief, the Corporation will not be financially viable and its ability to provide safe and reliable power to Nunavut communities will be in jeopardy.

- The Corporation administers the Territorial Power Support Program (TPSP) for the Government of Nunavut. This program presently

subsidizes qualifying residential customers, reducing the Public Rate for residential customers to 15.22 cents per kWh on the first 700 kWh consumed each month. This program now costs the GN in excess of $5 million per year. Changes to or the continuation of the program would be at the discretion of the Government of Nunavut. Any subsidy will be applied to the Approved Rates to calculate the final Public Rate for this customer class.

- The Corporation administers the Public Housing Power Support Program. This program presently subsidizes qualifying residential customers, reducing the cost to qualifying public housing customers to 6.0 cents per kWh. This program now costs the GN in excess of $9 million per year. Changes to or the continuation of the program would be at the discretion of the Government of Nunavut in consultation with the Nunavut Housing Corporation and the community housing organizations. Any subsidy will be applied to the Approved Rates to calculate the final Public Rate for this customer class.

- This application proposes that the cost of existing capital assets, adding new capital assets, and replacing old capital assets be shared equitably by existing and future customers through the rate structure, return on rate base and the inclusion of capital assets amortization in the revenue requirement.

- After several years of foregoing a return on equity, QEC will be afforded an opportunity to earn a fair and reasonable return. This return will ensure that the Corporation is financially capable of providing customers with safe and reliable energy.

- The Corporation's Terms and Conditions of Service will be revised and approved. The revisions provide for greater clarity and consistency, making the document easier to understand. The revisions recognize the realities of the isolated communities and the northern climate in which the Corporation operates.

- Customers will pay for fuel costs on a timely basis. By re-establishing the mechanism to flow through fuel price increases or decreases, the Corporation will be able to remain financially viable while avoiding major rate spikes that are associated with delays in passing on rising fuel costs until the next GRA. The matching of rates with costs ensures that the customers who give rise to costs pay these costs. This is preferable to deferring the collection of today's costs from future customers.

The GRA evaluation process will include opportunities for interested parties to ask questions and provide feedback. The Corporation anticipates the URRC will arrange public hearings in order to ensure customers are consulted and informed.

The URRC recommendations will ensure rates, fees and charges adequate to recover the anticipated costs of providing service to all of the Corporation's customers in all of Nunavut's communities.

1.8 Elected Officials

The Mayors of Nunavut's communities and the Members of the Legislative Assembly have been provided with copies of this General Rate Application.

CHAPTER 2

2.0 Rate Base

2.1 Introduction

As a result of the Division of assets and liabilities on March 31, 2001, all the physical assets of NTPC located in Nunavut were allocated to Nunavut Power Corporation (NPC), presently Qulliq Energy Corporation (QEC). The determination of the Corporation's Mid-Year Rate Base for the Test Year 2004/05 is detailed in Appendix G, Table 2.1.1. Consistent with the traditional manner in which rate base is calculated, the components of the mid-year rate base are the mid-year net plant in service, the mid-year working capital, and the mid-year net customer contributions.

The mid-year net plant in service is calculated by subtracting the mid-year accumulated amortization from the mid-year gross plant in service. The mid-year gross plant in service is detailed in Appendix G, Table 2.1.2. The Corporation's mid-year accumulated amortization is detailed in Appendix G, Table 2.1.3. Accumulated amortization is further discussed in Chapter 4.

2.2 Capital Asset Additions

Capital additions for the Test Year 2004/05 are listed in Appendix G, Table 2.2.1. Discussion of capital additions over $250,000 for the Test Year 2004/05 appears below.

Kugaaruk Replace Detroit 8V71 $477,250

The Detroit 8V71 failed during the 2003/04 fiscal year. The Detroit 8V71 had a capacity of 175 kW. Replacement of the 8V71 with a 350-400 kW unit will increase capacity and improve the fuel efficiency of the plant.

Rankin Inlet Residual Heat Installation – Phase 1 $2,243,075

This two year project consists of designing and constructing a residual heat distribution system to supply supplemental heat to ten buildings in the community of Rankin Inlet. The project is scheduled to be completed in the 2005/06 fiscal year. The Corporation is seeking approval to continue selling the residual heat to the customers for this project and to the customers of existing residual heat facilities for a price per kWh based on the conversion of the heat provided to kWh, the calculated volume of displaced diesel, and the price of diesel paid by the Corporation. One of the customers for this residual heat project is the new health center.

Baker Lake New Plant – Phase 2 $3,910,000

The new plant in Baker Lake was the subject of an application referred to the URRC during the 2002/03 fiscal year. The URRC provided the report titled "Report to the Minister Responsible for the Nunavut Power Corporation on: The Application by the Nunavut Power Corporation for a Project Permit for Construction of a Power Plant at Baker Lake" dated May 16, 2003. The project was scheduled to be completed during the 2003/04 fiscal year, however, some 2003/04 capital expenditures were deferred until the 2004/05 fiscal year for

financial reasons. The Corporation anticipates the new plant will be in use before the end of the 2004/05 fiscal year.

Baker Lake	Distribution Upgrade	$364,550

The Corporation is upgrading the distribution system in Baker Lake prior to the new plant going into service. The upgrade includes changing from a Delta configured distribution system to a Wye. This upgrade will improve system reliability for the customers of Baker Lake.

Arviat	Plant Expansion	$2,035,500

The Corporation is adding an engine bay and a fourth generator. The addition of the fourth generator rated between 900-1000 kW will increase the capacity of the plant to meet the load forecast for the foreseeable future and will improve the capability of the power plant to match load and increase fuel efficiency.

Coral Harbour	Replace Cat D398 and Cat D353	$805,000

The Corporation is replacing the Cat D398 and Cat D353 with new electronically controlled units. By replacing these aging units with new 375-425 kW units, the plant capacity will meet the load forecast for the foreseeable future and efficiency will improve.

Pond Inlet	Distribution Upgrade	$438,150

The Corporation is upgrading the distribution system in Pond Inlet in order to match distribution capability with generation capacity. The upgrade will include transformers, improved protection and controls, structures, and conductor. The upgrade will increase reliability and provide for cold load start up when necessary.

2.3 Working Capital

Mid-Year Working Capital has been computed using the lead-lag study approved for NTPC by the NT PUB. The calculation of the Mid-Year Working Capital is shown in Appendix G, Table 2.3.1.

Working Capital is the average amount of capital in excess of that used to finance net plant in service that is required to finance the Corporation's operations. This investment is required to bridge the gap between the time when costs are incurred to provide service and the time the corporation is paid for that service. Working Capital includes capital invested to support day to day operations. The inclusion of Working Capital in the rate base provides an appropriate method of compensating for the cost of capital provided for these purposes. There are two main components of Working Capital: Cash Working Capital and Other.

2.3.1 Cash Working Capital

Cash working capital is an estimate of the cash used to finance operating expenses during the Test Year. It must be realized that no one method will result

in a precise computation. The primary objectives of the Corporation were to adopt a method that is reasonable and understandable.

Two primary options were considered by the Corporation to compute the cash portion of Mid-Year Working Capital for the Test Year: (a) a lead lag study, and (b) a formula based approach (45-day rule).

Under the lead-lag method, a detailed study is undertaken to calculate the net lag between the time the revenues are received and the cash expenses are paid. Under the formula based approach, cash working capital is typically calculated based on the 45-day convention (also referred to as the “one-eight rule”). That is, on average, the receipt of revenue lags the payment of expenses by an average of 45 days. Since the lag for fuel is typically much larger because payments for fuel are typically made in the summer and early fall and receipts from related revenues occurs each month, the one-eight-rule formula based approach would only apply to expenses other than fuel.

The Corporation is of the view that the one-eight-rule is relatively straight forward, easy to understand and apply. Lead-lag studies, while more labor intensive, are more accurate. The Corporation’s objective in this GRA is to apply the most cost effective method to arrive at the Revenue Requirement in light of fiscal constraints. To this end, it has examined the results of the detailed lead/lag study filed by NTPC in its most recent GRA, as approved by the NT PUB, and proposes to use the results of this study for purposes of this GRA. It is the Corporation’s view that conducting an independent lead-lag study would only add costs of preparing and filing this GRA, and not add materially to the accuracy of the results. The NTPC operations, particularly related to the major operating expense items like procurement and payment for diesel, are comparable to that

of NPC. It should be noted that the results of this lead-lag study are more conservative than the application of the 45-day rule method which would result in a higher working capital requirement, and therefore, a higher return and Revenue Requirement.

The results of the Lead Lag Study, applied to fuel and other operating expenses are provided in Appendix G, Table 2.3.2.

2.3.2 Other Working Capital

In addition to the Cash Working Capital requirements detailed above, the Corporation's Working Capital also includes the mid year balance of the following items:

- Inventories
- Deferred Charges
- Prepaid Expenses
- Customer Deposits

Details of the Corporation's Working Capital requirements associated with the foregoing are provided in Appendix G, Table 2.3.1.

2.4 Customer Contributions

The Net Mid-Year Customer Contributions for the Test Year is calculated by subtracting the Customer Contributions Accumulated Amortization from the Customer Contributions Gross Plant. Net Mid-Year Customer Contributions is calculated by determining the average of the net ending customer contributions

from the previous year and the current year. Table 2.4.1, in Appendix G includes the Net Mid-Year Customer Contributions calculations for the Test Year.

Net Mid Year Customer Contributions are the portion of assets that have been recovered from the Corporation's customers at the time the asset was constructed. Net Customer Contributions are deducted from the calculation of rate base so that the value of these assets is not recovered from customers twice. Net Customer Contributions are also known as "Donated Assets."

Chapter 3

3.0 Return on Rate Base

3.1 Introduction

QEC requests an average return on rate base for the 2004/05 Test Year of 8.0%. The rate of return is based on the forecast, legislated, and target capital structure for the Corporation, a determination of the cost of debt for the Test Year and a determination of a fair return on equity for the Test Year.

Appendix H, Table 3.1.1 provides a summary of the Corporation's return on rate base.

In accordance with the March 29, 1999 Transition Agreement and March 30, 2001 Transfer of Interests Agreement, a due diligence process was prescribed to allocate the assets, liabilities and retained earnings between NTPC and NPC. The Corporation's financial statements and this GRA reflect the amounts provided in the Due Diligence Report.

The resolution of specific issues relating to the appropriate allocation of long-term debt and equity at March 31, 2001 remain outstanding and are subject to the dispute resolution process provisions in the agreements. Both the GN and GNWT have agreed to an arbitration process, the results of which will be binding on both parties.

The Corporation expects a resolution of this issue before the end of the 2004/05 Test Year. The Corporation's capital structure, return on rate base, and cash flow forecast will be adjusted to reflect the arbitration decision.

3.2 Capital Structure – Debt and Equity

The capital structure of the Corporation consists of equity (retained earnings), long-term debt, short-term debt, and no-cost capital. At Division, the Corporation was allocated retained earnings of $43.4 million and debt of $54.4 million. As a result, the Corporation started with a 56/44 debt/equity ratio. Since then, there has been a severe deterioration of the Corporation's debt/equity ratio, as shown in Appendix H, Table 3.2.1. Appendix H, Table 3.2.2 includes a continuity schedule of retained earnings since Division. Significant contributors to the deterioration of the Corporation's retained earnings were the following:

3.2.1 Deterioration of Equity - Fuel Costs

Other than between April 1, 2001 and March 31, 2002, when a 3.4 cents/liter fuel rate rider was in place, there has been no rate adjustment to recover the escalations in the price of fuel. A fuel rate rider application was referred to the URRC in 2003, and while a fuel rider of 7.5 cents per kWh was recommended, it did not receive final approval at that time.

In March 2004, the GN contributed $4 million to the Corporation as funding in lieu of a fuel rider. The GN main estimates for 2004/05 include $10 million to be paid to the Corporation as funding in lieu of a fuel rider. The combined $14 million addresses the deficit in the Rate Stabilization Fund at March 31, 2004 and increases the Corporation's equity.

In order to avoid combining a fuel rider with the rate adjustment resulting from this GRA, the Corporation will request that the GN provide funding in lieu of a fuel rider to address the deficit in the Rate Stabilization Fund forecast at March 31, 2005. The Corporation anticipates the deficit balance at March 31, 2005 will be $8.0 million. See Appendix K, Table 8.3.2.

This $8 million deficit balance will be generated entirely during the 2004/05 Test Year. If GN funding in lieu of a fuel rider is approved for the Test Year, the Rate Stabilization Fund could be at zero as of the day the new rates under this GRA go into effect. The Corporation is asking for a decision that the Rate Stabilization Fund mechanism will be activated the next time the balance exceeds plus or minus $1 million after April 1, 2005.

3.2.2 Deterioration of Equity – Financing Costs

The financing costs primarily relate to the early payment of the Corporation's share of NTPC long-term debt. These costs amounted to $9.9 million, and were charged to retained earnings for accounting purposes. Because these financing costs resulted from the early repayment of NTPC debt and the Corporation's new debt incurred a lower interest rate, the Corporation has incurred lower interest expenses than NTPC otherwise would have incurred. The future benefit derived from the lower interest rate is being amortized over the term of the debt for regulatory purposes.

3.2.3 Capital Structure Requirement

In the Corporation's view, a public utility cannot continue to provide service in a safe and reliable manner without a strong balance sheet. In order to maintain the

financial integrity of QEC, the Corporation intends to target over the long term, a capital structure of 60/40 debt/equity, and target over the short term, the capital structure of 75/25 debt/equity required by legislation and existing debt covenants. While the short term target is lower than that of many other public utilities in Canada[2] including NTPC, the 75/25 target is required by legislation and is therefore the more immediate target.

For purposes of this GRA and to assist in achieving the long term capital structure target, the Corporation proposes that the capital structure for the Test Year be deemed to be 60/40 debt/equity, i.e., equal to the long term capital structure target.

3.3 Business and Financial Risk

The possibility that actual return will fall short of the expected or approved return, resulting in the loss of part or all of the invested capital, is a risk to the utility. The total investment risk of the utility is comprised of (a) business and (b) financial risk. An assessment of these risks allows for an evaluation of the Corporation's return requirement relative to that awarded to others with similar risks.

The Corporation has reviewed evidence filed during the most recent NTPC GRA by Foster Associates Inc.[3], and considers the business and financial risks identified in that evidence also apply to the QEC service area. In fact, the Corporation has risks over and above those of NTPC.

[2] A review of the 2003 NTPC Annual Report (page 7) indicates that the long-term debt/equity ratio target is 55/45. The achieved ratio was 58/42 for 2002/03 and expected ratio for 2003/04 is 63/37.
[3] NTPC 2001/02 and 2002/03 GRA

3.3.1 Business Risk

The Corporation, relative to other Canadian utilities, has a very small rate base. QEC provides service to 25 communities with 25 independent systems. QEC is more geographically dispersed than other Canadian utilities. QEC has limited opportunity to capture economies of scale. Except for a minor amount of wind generation, electricity is supplied by diesel plants.

The Corporation's revenues are in large part, derived directly or indirectly from the GN. Such dependence is not likely to contribute to continued system growth, particularly in light of the financial constraints facing the GN.

Due to the sheer size of the service area and severe climate conditions, QEC faces greater supply risks, that is, risks of outages, extended outages, higher than forecast operating costs, and has no immediate opportunity to access economically viable alternative power sources. QEC does not presently have hydro generation. Total dependence on diesel carries greater potential for environmental damage (soil and water contamination).

The Corporation is exposed to the possibility that URRC recommendations will not be followed, i.e., regulatory risk. The Responsible Minister has the final say on the power rates customers in Nunavut will pay. In the past, the Responsible Minister exercised this discretion and ruled against the fuel rider recommended by the URRC. The GN's recent decisions to provide funding in lieu of a fuel rider have compensated the Corporation for the decision not to allow a fuel rider in May 2003.

It is the Corporation's position that business risks are higher than those of NTPC.

3.3.2 Financial Risk

Financial risk refers to the exposure resulting from leveraging of assets with debt. Such leverage creates fixed charges, which must be met before a return on equity. Debt holders view equity as providing protection, a spread between the value of assets and the amount of debt.

Regulation serves as a surrogate for competition. One of the premises of public utility regulation is that a public utility should maintain an "optimal" capital structure, consistent with its business risks. The ability to borrow economically is usually dependent on the degree of leverage, or debt coverage ratios, and the ability to service debt from revenues. Because QEC is a Crown Corporation, the debt holders look through QEC to the GN for debt guarantees.

As noted earlier, the Corporation's debt/equity ratio has changed significantly since Division. Consequently, QEC now has a very highly leveraged capital structure. As at March 31, 2004, 79.0% of total capital is sourced from debt.

The need to increase debt for capital expenditures and to fund the losses that were deteriorating equity created significant liquidity problems that affected the Corporation's operations until the GN provided assistance in the form of non-payment of amounts owing to PPD.

It is the Corporation's position that financial risks are higher than those of NTPC.

3.4 Return on Equity

On Division from NTPC, QEC was allocated total equity (retained earnings) of $43.4 million. Retained earnings represent the accumulation of net income and losses of the Corporation. The Corporation is forecasting a net loss of $13.2 million for the 2004/05 Test Year and a further decline in retained earnings to $11.4 million.

In the Corporation's view, the return on equity should be reasonably sufficient to assure confidence in the financial viability of the utility. A return on equity is considered necessary to ensure the financial integrity of a rate regulated Corporation.

The Corporation considered the costs associated with undertaking a special purpose study to determine the appropriate return on its equity for the Test Year. A number of reasons suggest that costs expended on such a study would not be necessary or prudently incurred.

The Corporation notes that recently, the NT PUB approved an equity rate of return for NTPC for the Test Years 2001/02 and 2002/03. NTPC, based on detailed evidence filed by Foster and Associates, had applied for a rate of return of 12.5% for each of the Test Years. The NT PUB, following a negotiated settlement agreement between NTPC and its customer representatives, approved a rate of 9.5% for each of the Test Years.

QEC and NTPC have similar operating conditions in many communities in that, both corporations provide service to customers in isolated communities utilizing diesel generating stations, however, NTPC has distinct advantages relating to

access to alternative sources of power including hydro and natural gas. While these differences are not material enough, in the Corporation's view, to warrant the undertaking of a separate rate of return study for QEC, the differences are sufficient to justify an upward adjustment in the QEC rate of return on equity.

QEC notes that the Alberta Energy and Utilities Board (AEUB) recently completed a "Generic Cost of Capital" proceeding to establish a process to set a utility's return on equity without the need to have a separate review done during a General Rate Application. The AEUB documents include interesting discussion on capital structure, deemed equity, and return on equity. The AEUB concluded a return on equity of 9.6% was appropriate for the Alberta utilities under consideration.

As well, the Corporation has reviewed some of the more recent decisions of other regulatory tribunals[4] and notes that rates of return on equity were awarded at a level similar to the 9.5% rate awarded to NTPC by the NT PUB.

Based on the higher business and financial risks facing QEC, relative to other utilities and particularly relative to NTPC, and the rule of thumb that for every 1% that debt exceeds 60%, the return on equity should increase by 20 basis points,

[4] By letter dated November 23, 2003, the National Energy Board stated:

> "Pursuant to the ROE adjustment mechanism approved in the Multi-Pipeline Cost of Capital Decision (RH-2-94), revised on 14 March 1997 to eliminate rounding, the Board has approved a rate of return on common equity of 9.56 percent for the year 2004.

QEC is of the view that the approved return on equity should be higher by 200 basis points, i.e., 11.5%.

3.5 Short-Term and Long-Term Debt

The Corporation should initially finance capital expenditures using internally generated funds and short-term debt. During the Test Year, $10.0 million of short-term debt will be incurred to supplement the lack of internally generated funds. When market conditions are considered appropriate and short-term debt has accumulated to an amount sufficient to attract favorable rates, the short-term debt would normally be replaced by long-term debt.

At the present time, the Corporation has long-term debt in the amount of $61.0 million. The purpose of this debt was to discharge the Corporation's financial obligations resulting from Division from NTPC and to finance capital expenditures. This debt incurs a rate of 6.8% and matures September 27, 2021. Semi-annual interest payments of $2.1 million are due until September 27, 2005, after which, the Corporation is required to make blended semi-annual payments of $2.8 million. This debt is guaranteed by the Government of Nunavut.

The Corporation also has a $16.0 million capital loan facility. Interest is incurred at bank prime and is payable monthly. This debt is guaranteed by the Government of Nunavut. The principal is due on or before December 31, 2004. The Corporation has made provisions to renew this capital loan facility, combined with the $10.0 million noted above, on December 31, 2004.

The Corporation's operating credit facility incurs interest at prime. At March 31, 2004, the Corporation was in an overdraft position of $.03 million. This debt is

also guaranteed by the Government of Nunavut. The overdraft position would have been $9.94 million at March 31, 2004, had the $9.91 million owing for fuel to the Petroleum Products Division (PPD), Department of Community and Government Services, been paid when due. The Corporation's operating credit facility has a limit of $12.0 million. The Corporation has not yet paid for the fuel purchased from PPD during the fiscal year ended March 31, 2004. The amount owing to PPD has been added to short term debt for the purposes of determining the Corporation's capital structure.

At Division, the Corporation's portion of the short-term and long-term debt was determined by NTPC to be $54.4 million, including the NTPC call premium of $9.9 million. The call premium and costs related to the Corporation's new debt issue were, for financial accounting purposes, written off against retained earnings in fiscal 2001/02. For regulatory purposes, the Corporation proposes to set up a deferred cost, which will be amortized over the 20-year life of the new issue. Amortization of $0.5 million has been recorded for the Test Year. The amortization schedule is included in Appendix H, Table 3.5.1.

The Corporation may incur additional long-term debt of $26.0 million during the Test Year to pay the short-term debt (capital loan facility of $16.0 million) and budgeted capital expenditures ($10.0 million) before the December 31, 2004 due date. The Corporation is presently considering short term and long term financing options in relation to interest rates, the risk of short term rates rising, the availability of long term financing and the potential impact on electricity rates. Corporation's usually finance long term or capital assets with long term debt, however, it is not unusual to consider the continuation of the benefits of lower short term rates whenever possible.

CHAPTER 4

4.0 Amortization

4.1 Introduction

The amortization rates used by QEC are the rates that were approved by the NT PUB during the General Rate Application process that established the existing electricity rates.

4.2 Amortization Study

The Corporation recognizes that NTPC filed a detailed amortization study undertaken by Gannet Fleming Valuation and Rate Consultants Inc. with their 2001/03 GRA. The amortization rates proposed by NTPC in their Application were approved by the PUB based on the results of the Negotiated Settlement Agreement between NPTC and customers[5]. This amortization study was based on an estimation of survivor curves and net salvage percents applicable to each depreciable group and the calculation of annual and accrued amortization as of March 31, 2000.

The estimation of net salvage was based on NTPC estimates of the cost to retire diesel plants as well as a review of the net salvage percents used by other electric utilities. For diesel plants, the net salvage estimates include a provision

[5] A review of the NTPC Negotiated Settlement Agreement dated November 20, 2001 indicates that there were no changes in the amortization rates for any of the diesel plant, distribution plant and general plant.

for site remediation. The net salvage estimates are expressed as a percent of the original costs to be retired.

Actual costs to remediate a contaminated site bear no specific relationship to the original costs to establish the generation facility and could significantly exceed a provision calculated based on original costs. Generally accepted accounting principles for future years will require more accurate recording and disclosure of future site remediation costs.

In light of the fact that NTPC diesel facilities are similar, and given that QEC has not completed construction of a new plant since Division from NTPC, QEC is of the view that adopting the NT PUB approved amortization rates for diesel plant is a reasonable surrogate for similar facilities in Nunavut's diesel communities.

The use of comparable data was incorporated in the NTPC amortization study:

> "The service life and net salvage estimates used in this study were based on a knowledge of management's plans and operating policies, a field survey of the property in service, analysis of available historical plant retirement data, consideration of current developments in the electric industry, and a general knowledge of the service life and net salvage characteristics of other electric utility properties. The estimated service lives and net salvage percentages are within a reasonable range for comparable estimates of other electric utilities with similar properties." [NTPC 2001/03 GRA, Gannet Fleming Amortization Study, page A4-20]

The average service lives of the Corporation's assets are generally in the range of the service lives used by other electric utilities in the sample provided by Gannet Fleming.

QEC is of the view that unless circumstances exist to warrant the undertaking of an amortization study, the costs incurred to conduct such a study cannot be justified when rates approved for comparable facilities are readily available and result from a comprehensive amortization study conducted within a reasonably recent time frame.

Appendix I, Table 4.3.1 includes a summary of the amortization rates the Corporation proposes to use for the Test Year.

The calculation of annual and accrued amortization as at March 31, 2004, is based on the use of the Straight Line Average Service Life methodology, using estimated survivor curves, net salvage percents and the attained age of property. In the straight line method, the annual accrual rate is determined as follows:

Annual Accrual Rate (Percent) = (100 Percent less Net Salvage Percent) times (Service Life consumed divided by the Average Service Life).

The calculated accrued amortization, or theoretical reserve, represents the portion of the depreciable cost which will not be allocated to future annual cost of service through amortization accruals, if current forecasts of life characteristics are used as a basis of straight line amortization accounting. The accrued factor for each installation year is computed according to the following formula:

Accrued Factor = [1-(Average Remaining Life/ASL)] times [1 minus Net Salvage Ratio]

4.3 Amortization Expense

Based on the Corporation's proposal, the application of the amortization rates effective April 1, 2004 will result in a total amortization expense in the amount of $5.9 million in 2004/05. Under the existing rates, the expense would have been $5.7 million in 2004/05. See Appendix I, Table 4.3.1.

4.4 Environmental Management

In the normal course of business activities, the Corporation transports, handles, stores, and uses large quantities of diesel fuel. The corporation recognizes the risks to the environment and endeavors to follow good environmental stewardship practices.

In order to ensure the Corporation fulfils its responsibilities in relation to the environment, QEC has undertaken the following initiatives:

- Environmental Management System (EMS)

  Prior to the creation of QEC, NTPC had, over a period of years beginning in 1995, developed an EMS that involved initial screening of all sites, a site assessment program, employee training, and the development of corporate environmental policies and guidelines. QEC is continuing to build on this program.

- Remediation Projects

Remediation projects often take several years to complete. The ongoing management of these projects is provided internally by the Corporation's Safety and Environmental department and, when necessary, is supplemented by hiring outside expertise.

- Employee Training

Spill contingency plans for all plants and tank farms have been developed and are regularly updated. Employees are familiarized with the contingency plans and trained in spill response and clean-up methods. The Canadian Coast Guard provides refresher training in spill response and clean-up. QEC employees attend these training sessions to ensure that they are up-to-date on the latest methods and materials employed in these situations.

- Preventative Maintenance

As part of the overall annual environmental management program, QEC has implemented a preventative maintenance component where soil conditions are checked and tested. This is done to ensure that if any hydrocarbon contamination exists, it is not migrating to adjacent properties, and that contamination from neighboring properties is not leaching onto QEC property. In addition, regular inspections are performed on all plant sites to ensure the integrity of fuel handling and storage facilities.

QEC recently completed the EMS plan for the year ended March 31, 2004. The plan called for environmental assessments, risk assessments, and the completion of planned remediation activities. In addition to the site work and assessments, QEC attends community consultation meetings. These meetings serve to keep community residents apprised of the Corporation's EMS plans and activities. The meetings offer QEC the opportunity to obtain valuable historical information on oil spills that may have occurred in the past.

4.5 Future Removal and Site Restoration

The site assessment program discussed in 4.4 above has identified the need for future soil remediation at the majority of the Corporation's plant sites. The financial statements of the Corporation presently include a provision for future removal and site restoration that is inadequate to address the estimated site remediation identified by the site assessment program. The Corporation is discussing with the federal government, joint responsibility for the future costs of site remediation. The Corporation is also reviewing the accounting and reporting requirements relating to site remediation as they are expected to change in the near future.

The Corporation's amortization of assets does include a provision for future removal and site restoration including the estimated costs of retiring the assets, net of salvage values. These costs are amortized over the estimated useful lives of the assets on a straight line average service life basis. The Corporation has continued the practice adopted in the last GRA and computed a net provision for site restoration costs for the fiscal years ended March 31, 2002, 2003 and 2004. The Corporation intends to review the accounting and financial reporting requirements relating to future removal and site restoration prior to the March 31,

2005 fiscal year end in conjunction with on-going discussions relating to inherited contamination.

This application includes an Environmental Initiatives Rate to fund the Corporation's share of future removal and site restoration costs.

The Corporation's round of site assessments for all communities and the federal government's budget announcement including funds for environmental clean up instigated joint communications from the Corporation and NTPC to the federal government regarding future remediation costs because the Northern Canada Power Commission was the operator of the sites prior to the creation of NTPC in 1988.

The extent of the federal government's participation in site restoration with NTPC and QEC is not known at this time. Based on the site assessments and costing determined by site remediation projects undertaken to date, the total cost to remediate existing QEC contaminated sites could be in excess of $50 million.

The Corporation intends to undertake site remediation projects, giving priority to sites no longer in service. The Corporation will be requesting and anticipates receiving the assistance of the federal government with these projects. The Corporation will be requesting proposals for the restoration of the old Baker Lake plant site and the old Igloolik tank farm site during 2004/05 in anticipation of scheduling the projects for 2005/06. Depending on the level of contamination, if any, and the remediation process, if required, the Corporation anticipates that some of the projects will require several years to complete.

4.6 Environmental Initiatives Rate

The Corporation is proposing an Environmental Initiatives Rate of $.005 per kWh. The funds derived from the application of this rate would be administered by the Corporation, separately accounted, and used for environmental protection and remediation initiatives in Nunavut.

The Environmental Initiatives Rate of $.005 per kWh would be applied as a separate rate over and above the rates determined by the Revenue Requirement proposed in this application.

Chapter 5

5.0 Reserves

5.1 Injuries and Damages Reserve

The reserve for injuries and damages is based on an estimate of costs related to the Corporation's uninsured losses. For the Test Year and in the future, the Corporation proposes that an annual appropriation to the reserve be included in the Corporation's operating expenses. In the future, the balance in the reserve account will be included in the Corporation's capitalization as "no-cost capital", consistent with the treatment approved in prior years by the NT PUB (Decision 9-93).

When the Division from NTPC occurred, there was a balance transferred to QEC in the amount of $.3 million. Since the Corporation did not have regulatory authority going forward to continue with this account, the amount was written off for financial accounting purposes against retained earnings at March 31, 2002.

For regulatory purposes, the Corporation is of the view that appropriations for injuries and damages should be allowed to continue. This account will provide for payment with respect to:

- Uninsured losses
- Deductible portion of insured losses
- Insurance premium increases

While the first two items are ones which have been previously approved by the NT PUB, the Corporation is seeking approval to include insurance premium increases as an additional item. Since the last GRA and particularly since the September 11, 2001 events, the Corporation has found that insurance premiums have increased significantly. To this end, the Corporation proposes that any increases from the base level of premiums forecast in this GRA will be included for recovery in the future from customers. The base level of premiums for the Test Year is $.7 million. Should the Corporation, in the future, choose to increase deductibles or self insure specific assets in order to reduce insurance premiums, the Corporation proposes to increase the reserve by an annual appropriation equal to the insurance premiums avoided. Consistent with industry practice, the reserve has been expanded to include other injuries and damages.

Table 5.1.1 in Appendix J is a sample continuity schedule for the Injuries and Damages Reserve beginning April 1, 2004. While the Corporation did not track uninsured losses and the deductible portion of insured losses as line items for the 2001/02, 2002/03 and 2003/04 fiscal years, there were uninsured losses and deductibles for insured losses.

The Corporation proposes to re-establish a Reserve for Injuries and Damages account effective April 1, 2004, the beginning of the Test Year, include a nominal $.3 million opening balance (for GRA purposes, the balance will always be $.3 million higher than for accounting purposes), reduce the reserve balance by uninsured losses and the deductible portion of insured losses, and increase the reserve balance by an annual appropriation of $.15 million until the next GRA. In prior NT PUB decisions (Decision 9-93, 2-94 and 1-97), an annual appropriation of $0.3 million was made from 1992/93 to 2000/01.

The balance in the reserve account will be included in the Corporation's capitalization as "no-cost capital", consistent with the treatment approved in prior years by the NT PUB (Decision 9-93).

5.2 Rate Hearing Reserve

When Division from NTPC occurred, there was an unamortized balance transferred to QEC in the amount of $.3 million. Since the Corporation did not have regulatory authority going forward to continue with this account, the amount was written off for financial accounting purposes against retained earnings at March 31, 2002. For regulatory purposes, the Corporation is of the view that a Rate Hearing Reserve account should be established for the costs of this GRA. The balance previously written off has not been added as a nominal opening balance to the new reserve as it relates to a previous GRA and should be fully expensed prior to incurring the costs for this GRA. The new reserve will account for payments for external costs incurred in the preparation of the 2004/05 GRA, intervener costs to the extent approved by the URRC and authorized by the legislation, and other hearing related costs (facility rentals, printing and advertising, etc).

Since this is the first GRA, it is not possible to determine with any degree of accuracy the amount of rate hearing and related costs. However, QEC recognizes that the GN has contemplated a streamlined regulatory process and therefore, these costs should not be as high as those incurred by NTPC in the past. An estimate of $.3 million has been incorporated into the Revenue Requirement through straight line amortization of $.1 million per year for the next three years. Table 5.2.1 in Appendix J is a sample continuity schedule for the Rate Hearing Reserve.

CHAPTER 6

6.0 Revenue Requirement

6.1 Introduction

The Corporation's Revenue Requirement consists of the total cost to the Corporation of providing energy to the Corporation's customers, including a fair return on the Corporation's rate base.

Table 1.5.1 in Appendix F summarizes the Corporation's Revenue Requirement for the 2004/05 Test Year. Table 1.5.2 in Appendix F provides a further breakdown for the Corporation's Operations and Maintenance expenditures for the Plants, Regional Offices and Head Office. Table 1.5.3 in Appendix F provides a further breakdown for the Corporation's Plant Operations and Maintenance expenditures at the community level.

The determination of the Corporation's rate base and each of the components of the Corporation's Revenue Requirement is discussed in other Chapters in this Application.

The Corporation's forecast Revenue Requirement for the 2004/05 Test Year is $77.2 million. At existing rates, the revenue is forecast at $57.5 million for the 2004/05 Test Year. The revenue deficiency calculated in Appendix F, Table 1.5.1 for the Test Year is $19.7 million.

6.2 Revenue Deficiency

The items that give rise to the deficiency are discussed below.

6.2.1 Fuel and Lubricants

The average per liter fuel price has increased by approximately 41.4% for communities in Nunavut since the last GRA Test Year. While steps will be undertaken that will result in a reduction in the Corporation's dependency on diesel fuel, the Corporation has no control over the market price of fuel, which has risen significantly over the last few years.

As explained in Chapter 8, the Corporation is applying for a restoration of the Rate Stabilization Fund account for diesel fuel effective April 1, 2005. In addition to fostering inter-generational equity, the fund will provide a "cushion" or "buffer" to avoid frequent rate changes. Details of this proposal are provided in this GRA, Chapter 8.

6.2.2 Salaries and Wages

Growth, inflation and Division have increased the overall cost of operating the Corporation's utility operations in Nunavut since the last GRA. The creation of a corporate head office in Baker Lake and an administrative office in Iqaluit has given rise to administrative costs previously incurred by NTPC in Hay River, NT. The Corporation employed 25 people in Baker Lake as of March 31, 2004. All of these employees were hired in preparation for or since Division from NTPC.

6.2.3 Supplies and Services

In addition to the recurring engine overhaul expenditures mentioned in the Executive Summary, the Corporation incurs operating expenditures for supplies and services relating to plant, electrical, mechanical, and distribution maintenance, and engineering, financial, human resource and information technology administration, and housing. As noted in Chapter 1, housing represents the most significant cost in the supplies and services category after engine overhauls.

6.2.4 Amortization

QEC has completed several capital additions since the last GRA. The Corporation also plans to undertake capital expenditures in the amount of $11.2 million in 2004/05. These capital additions add to the Corporation's rate base and increase amortization expense.

6.2.5 Travel and Accommodations

The decision to proceed with Division from NTPC and to establish a decentralized head office, unavoidably results in additional travel and accommodations costs for a separate Board of Directors and the decentralized head office.

For the Test Year, the Board of Directors has scheduled to meet quarterly and schedule conference calls to supplement the quarterly meetings when necessary.

For the Test Year, Management has scheduled an annual meeting to review among many topics, the 2003/04 annual report, 2004/05 interim operating results and the 2005/06 operating and capital budgets.

The remainder of travel and accommodations costs are driven by scheduled and emergency plant, electrical, mechanical and line maintenance and by administration, medical, professional development, relocation and training requirements.

6.2.6 Return on Rate Base

Return on Rate Base is the subject of Chapter 3.

6.2.7 Revenues at Existing Rates

Increased sales have offset some of the increased costs noted above. There has been increased economic activity in Nunavut since Division on March 31, 2001, and the load forecast indicates that the territory will continue to experience moderate growth during the Test Year and thereafter.

Continued efforts by the GN and the private sector to address existing housing shortages will continue to drive the residential load. Continued population growth and existing age demographics will continue to exasperate the housing shortage.

There is the possibility of significant growth in one or more communities in the foreseeable future. Industrial activity, specifically mining exploration has the potential to result in increased load in some communities. The Corporation continually monitors the progress of the mining companies towards the

establishment of production facilities. To the extent, the GN, municipalities and the private sector participate in and respond to these opportunities, the Corporation's load could increase significantly in some communities.

The load forecasting done by the Corporation is, by necessity, due to the lack of any interconnecting grids, specific to each community. The community data is then aggregated to produce the regional and territorial data. The load forecast is the subject of Chapter 10.

CHAPTER 7

7.0 Alternative Energy

7.1 Introduction

Qulliq Energy Corporation (QEC) has undertaken alternative energy activities since the last GRA to the Public Utilities Board in the Northwest Territories. These activities have intended to achieve the following objectives:

- Reduce diesel operating and maintenance expenses
- Reduce electricity price variability
- Mitigate greenhouse gas emissions
- Increase capabilities to cost-effectively develop and integrate new energy technologies

Recent activities have focused on hydro electricity pre-feasibility studies, community district heating projects, and wind generated electricity systems. QEC supports energy-related activities that promote public awareness and demand-side management in Nunavut.

7.2 Alternatives to Diesel

7.2.1 Hydro Electricity

Pre-feasibility studies were completed for potential hydro electricity project sites near the City of Iqaluit. Iqaluit is an attractive location for alternative energy

development given its electricity demand relative to other communities in Nunavut.

The 2002 Sylvia Grinnell River pre-feasibility study built upon previous hydrology and economic investigations conducted between 1970 and 1992. Additional hydrology information, different design methodologies, technological advancements and updated construction costs were considered in successive studies.

A hydro electricity development project on the Sylvia Grinnell River with technology available today would displace a significant portion of the diesel consumed in Iqaluit and significantly reduce electricity costs and greenhouse gas emissions.

The Sylvia Grinnel River has important recreational uses for Iqalungmiut and is part of a Territorial Park. The impacts and benefits of any project on this river will need to be carefully studied and the effectiveness of any mitigating measures considered.

Technical and economic analysis support advancing this study to the feasibility level.

7.2.2 Transmission Connection to Manitoba

Nunavut shares its only land border with Manitoba. There are significant water and mineral resources in the Kivalliq region of Nunavut. Mining exploration projects are actively being pursued. A pre-feasibility study was undertaken by Manitoba Hydro to assess the merits of a transmission interconnection with

Manitoba including hydro electricity development potential. The pre-feasibility study evaluated transmission interconnection between Churchill, MB and Rankin Inlet. The study also investigated hydro electricity developments to enhance the feasibility of a transmission project.

Site 106 on the Tha-Anne River and Site 101 on the Thlewiaza River represent potential hydro energy projects. The potential of Site 106 and Site 101 is sufficient to support further studies in the future.

7.2.3 District Heating

QEC owns and operates district heating systems in several communities. The district heating program was expanded between 1999 and 2001 by undertaking projects in Pangnirtung and Arviat. Kugluktuk and Taloyoak also generate heat sales revenue. QEC presently supplies thermal energy in Cambridge Bay, Rankin Inlet and Sanikiluaq where the district heating systems are owned and operated by others.

Residual heat sales revenue recovers residual heat capital investments and related operating and maintenance costs by contributing towards the Revenue Requirement. The residual heat kWh rate is calculated as follows:

$$\textit{Residual Heat kWh Rate} = \frac{\textit{Cost Factor x Fuel Cost (\$/l) x ETS Efficiency}}{\textit{Heat Content of Fuel (kWh/l) x Average Annual Efficiency}}$$

Individual variables are set as follows:

Cost Factor = 90%

Fuel Cost = local heating fuel price

ETS Efficiency = 95%

Net Heat Content = 9.79 kWh/litre

Average Annual Efficiency = 0.70

Fuel cost is based on the delivered price of local heating fuel. Energy transfer station (ETS) efficiency reflects actual heat exchanger design specifications. Net heat content is based on the lower heating value of P50 Arctic grade diesel fuel. Average annual efficiency is an estimate of seasonal boiler operations.

Pangnirtung

A district heating system was constructed in 1999 to distribute thermal energy to the Alookie and Attagoyuk schools in Pangnirtung. Thermal energy is recovered from diesel engine cooling systems, pumped through an above ground distribution system and transferred to the school domestic hot water and space heating systems using automated energy transfer equipment.

Arviat

A district heating system was constructed in 2001 to distribute thermal energy to four buildings in Arviat including the Qitikliq and Angmak schools, Arctic Co-op Hotel and Nunavut Arctic College. Thermal energy is recovered from diesel engine cooling systems, pumped through an above and below ground distribution system and transferred to building domestic hot water and space heating systems using automated energy transfer equipment. The Corporation intends to extend the system to the new school as well.

Kugluktuk and Taloyoak

Small heat recovery systems provide thermal energy to the water treatment plants in Kugluktuk and Taloyoak.

QEC has received inquiries about future district heating initiatives in several communities. Feasibility studies and infrastructure projects will continue to be considered on a case by case basis. A district heating project is planned for Rankin Inlet during the Test Year and for Iqaluit the following year.

7.2.4 Wind Generated Electricity

QEC has been engaged in wind generated electricity projects in Cambridge Bay, Kugluktuk and Rankin Inlet.

Cambridge Bay

A single Lagerway LW 18/80 wind turbine was installed in Cambridge Bay in September 1994. The 80 kW wind turbine was owned and operated by Dutch Industries Ltd. In May 2002, the turbine fell from its tower and was damaged beyond repair. Wind generated electricity was purchased in accordance with the terms and conditions of a power purchase agreement negotiated with Northwest Territories Power Corporation that expired on September 30, 2002.

Kugluktuk

Two Lagerway LW 18/80 wind turbines were installed in Kugluktuk in 1997. The turbines were owned and operated by Northwest Territories Power Corporation

(NTPC) until Division. In July 2000, both turbines suffered catastrophic failures. One turbine fell from its tower and was damaged beyond repair. The other turbine was struck by lightening and sustained control circuitry damage. It was returned to service in July 2003.

Rankin Inlet

A single AOC 15/50 wind turbine was installed in Rankin Inlet in November 2000. The turbine was owned and operated by NTPC until Division and remains in service today.

7.3 Looking Forward

QEC issued a Request for Proposals for independent wind generated electricity in January 2003. The scope of work included the planning, financing, design, construction, ongoing operation and maintenance of wind generating systems in Nunavut. The evaluation process resulted in two developers being recommended for further consideration.

Issues that require further consideration include but are not limited to community support, site development, wind and diesel generating systems integration and operation, regulatory compliance, project costs and generation pricing. The intent of this process is to determine the feasibility of independent wind generated electricity projects.

7.4 Related Activities

7.4.1 Memorandum of Understanding between Canada and Nunavut

A Memorandum of Understanding for Cooperation on Addressing Climate Change (MOU) between Canada and Nunavut was signed on October 31, 2003. The MOU provides a framework to enable collaboration on mutually agreeable initiatives affecting climate change and considers several priority areas including:

- public awareness and education
- greenhouse gas emissions reduction
- advancing climate change science through Inuit Qaujimajatuqangit
- northern and multilateral initiatives

7.4.2 Nunavut Energy Action Plan

The Energy Action Plan identifies several proposed energy-related activities. The activities focus on mitigating energy costs, promoting renewable energy technologies and local economic development, and increasing public awareness of related issues. Cabinet approved the Energy Action Plan in principle for public consultations in 2004.

7.4.3 Nunavut Energy Centre

There is a recognized need to promote energy management in Nunavut including:

- data collection, monitoring and reporting
- training and capacity building
- public education and outreach
- applied research and pilot project development
- program liaison and service delivery

Proposals submitted to the Government of Canada requesting support for the development of an energy centre in 2004 have received a positive response. QEC will continue to support these and other activities that promote energy management in Nunavut.

7.5 Alternative Energy Rate

The Corporation is proposing an Alternative Energy Rate of $.005 per kWh. The funds derived from the application of this rate would be separately accounted, administered by the Corporation and used to facilitate alternative energy initiatives in Nunavut.

The Alternative Energy Rate of $.005 per kWh would be applied as a separate rate over and above the rates determined by the Revenue Requirement proposed in this application.

CHAPTER 8

8.0 Rate Stabilization Fund

8.1 Introduction

QEC inherited a deficit in the diesel fuel stabilization account on Division from NTPC. The account, as previously approved by the NT PUB, called for a price change (fuel rider) when the balance in the account exceeded a trigger amount of $2 million. A fuel rider was implemented, however, the fuel rider rate was established and maintained below the amount necessary to reduce the deficit prior to Division.

8.2 Rate Stabilization Fund to March 31, 2004

After Division on April 1, 2001, QEC continued charging a fuel rider of 3.4 cents per kWh for the period April 1, 2001 to March 31, 2002 in order to recover the $2.7 million opening deficit balance in the fuel stabilization account and increases to the account during the year. The 3.4 cents per kWh was not sufficient to recover the opening balance of the account and the fuel price increases during the year and by March 31, 2002, the deficit had grown to $4.5 million. (See Appendix K, Table 8.2.1) As a result, in January 2003, the Corporation made an application to implement a fuel rate rider of 10 cents per kWh. Based on a review undertaken by the URRC, a recommendation was forwarded to the Responsible Minster to approve a fuel rate rider of 7.5 cents per kWh. However, the Responsible Minister did not approve this recommendation, and as a result,

QEC was not able to recoup the balance in the Rate Stabilization Fund account through a fuel rider.

The deficit balance in the Rate Stabilization Fund account was $9.4 million (See Appendix K, Table 8.2.2) at March 31, 2003 and would have reached $14.1 million (See Appendix K, Table 8.2.3) by March 31, 2004, if not for a GN contribution in lieu of a fuel rider. The actual balance in the account was $14.1 million less the GN contribution of $4.0 million for a net balance of $10.1 million.

The GN has budgeted $10 million in the 2004/05 Territorial Accounts as funding in lieu of a fuel rider to be provided to the Corporation during the year ended March 31, 2005. The 7.5 cents per kWh rate at which the funding in lieu will be provided is based on the rate that was recommended by the URRC after its review in 2003. This funding is forecast to reduce the March 31, 2004 balance in the Rate Stabilization Fund to $.1 million.

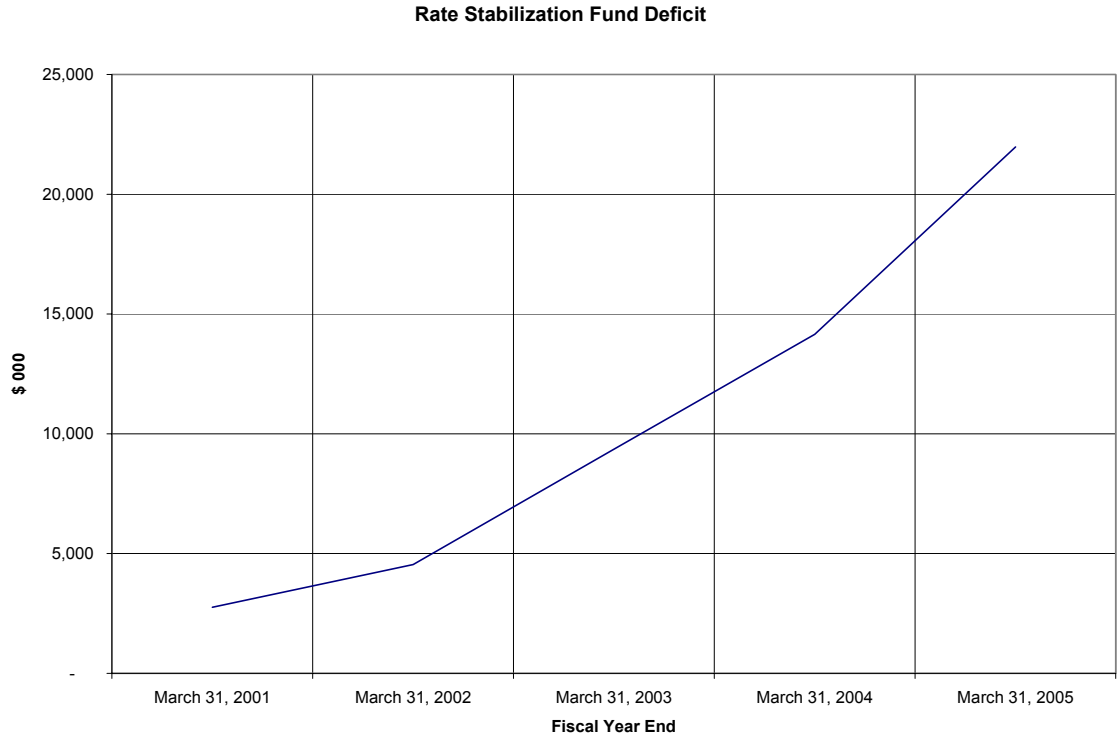
8.3 Rate Stabilization Fund to March 31, 2005

Based on the Corporation's current forecast of fuel costs and consumption, the Stabilization Fund deficit will increase to $8.0 million during the fiscal year ending March 31, 2005, the Test Year. Appendix K, Tables 8.3.1 and 8.3.2 forecast the projected change in the Rate Stabilization Fund account by March 31, 2005 including the fuel price increase announced for August 1, 2004. Since the rate increases resulting from this GRA are not scheduled to take effect until April 1, 2005, the Corporation will request that the GN provide funding in lieu of a fuel rider equal to the deficit in the Rate Stabilization Fund at March 31, 2005 to avoid stacking a fuel rider on top of the increase proposed in this application.

8.4 Rate Stabilization Fund after March 31, 2005

The Corporation is seeking approval to continue with the Rate Stabilization Fund account after March 31, 2005. As with the past operation of this account, QEC proposes to use a "trigger" mechanism such that a rate change will only take place when the balance in the fund account is outside of a certain threshold limit. Previously, that limit was $2 million. While this target was appropriate when NTPC provided service to all diesel communities, both in the east and the west. To recognize Division, and to reflect the fact the QEC only has 25 communities, QEC proposes that the trigger be reduced to $1 million.

The following chart highlights the changes in the Rate Stabilization Fund since Division, not including GN contributions in lieu of a fuel rider.



The Corporation is requesting that the URRC recommend re-establishing the Rate Stabilization Fund and that the URRC further define and recommend a process to obtain approval to implement a fuel rider after March 31, 2005.

In the past the fuel rider has been a territorial rate. Consistent with the fuel rider, the Corporation is recommending that all rates be based on a territorial rate structure.

CHAPTER 9

Land Claims Agreement Compliance

9.1 Introduction

The provisions of the “Agreement Between The Inuit Of The Nunavut Settlement Area And Her Majesty the Queen In Right Of Canada” referred to as the Nunavut Land Claims Agreement (NLCA) affects the Corporation in many ways. This Chapter highlights some of the applications of the agreement to the Corporation and the effects on the Corporation’s rate base, revenue requirement, rate structure and rates.

9.2 Article 1 Definitions

Article 1 of the NLCA identifies officials and organizations, some of which, the Corporation is required to interact with on a regular basis. In addition, Article 1 defines Inuit for purposes of Article 23 discussed below.

9.3 Article 5 Wildlife

Over the course of a year, the Corporation receives and consumes over 40 million liters of diesel and thousands of liters of lubricants and glycol. The Corporation has established procedures for the handling of these and other products to ensure the protection of wildlife habitat.

The Corporation is presently and intends to continue reducing greenhouse gas emissions through residual heat projects. Hydro and wind energy projects under consideration have the potential to reduce greenhouse gas emissions in the future.

9.4 Article 9 Conservation Areas

Nunavut includes several potential hydro and wind farm sites. As demand for electricity grows and the cost of diesel increases, the development of these hydro and wind farm sites becomes more viable. The proximity to and the effect on conservation areas and wildlife habitat noted above, if any, would have to be determined and disclosed to Nunavummiut before any project of this nature could proceed beyond the feasibility stage.

9.5 Article 11 Land Use Planning

This Article addresses land use planning policies, priorities, and objectives with specific reference to economic opportunities, community infrastructure, environmental protection and in particular, energy requirements, sources and availability.

The Nunavut Planning Commission, the other NPC, has major responsibilities that include reviewing project proposals or monitoring projects previously approved.

9.6 Article 12 Development Impact

Article 12 indicates the Nunavut Impact Review Board's (NIRB) primary functions include screening project proposals and determining the impacts of projects. The Article also defines the relationship of the NIRB with the Nunavut Planning Commission. Hydro, wind farms, transmission lines, tank farms, and diesel plants are all examples of projects that would require the recommendation of the Commission and the NIRB.

9.7 Article 13 Water Management

Similar to the Nunavut Planning Commission and the Nunavut Impact Review Board, the Corporation would be required to obtain the recommendation of the Nunavut Water Board (NWB) to proceed with certain projects. In the case of the NWB, hydro projects would be considered water use. Article 13 defines the relationship of the NWB with the NIRB and the Nunavut Planning Commission.

9.8 Article 23 Inuit Employment Within Government

Article 23 defines government employment, government organization, representative level, and under representation. The Corporation recognizes that the March 31, 2004 statistic indicating 51% Inuit employment does not achieve the representative level. The Corporation intends to address the under representation through improvements to the Inuit Employment Plan (IEP).

The Corporation has analyzed and reported the level of representation. The Corporation is prepared to institute professional accounting and management mentoring, trades apprenticeship, and engineering co-op programs with medium

and short term goals that will move beneficiary employment to the representative level or higher.

Why professional accounting and management mentoring?

- Because the Corporation requires financial administrators for billings and accounts receivable, purchasing and accounts payable, project accounting, general accounting, payroll and human resources, financial reporting and internal audit

- Because on-line professional accounting. university degree, payroll and human resource courses are available and the Corporation has professionals prepared to mentor qualified candidates

Why trades apprenticeships?

- Because the Corporation requires linemen, mechanics, electricians and carpenters

- Because apprenticeship programs are available and the Corporation has experienced tradesmen prepared to apprentice qualified candidates

Why engineering co-op?

- Because the Corporation requires mechanical, electrical and civil engineers to design, build, maintain and upgrade generation and distribution

- Because the Corporation has professional engineers willing to mentor qualified candidates

While the Corporation recognizes that there will be attrition in the programs, initial and continuing efforts to identify motivated and qualified candidates, and the success of those candidates, will benefit future applicants by their presence as role models and future mentors.

How many beneficiaries will the Corporation ultimately employ as the result of the mentoring, apprenticeship, and co-op programs? 100% is achievable over time.

9.9 Article 24 Government Contracts

The Corporation has committed to apply NNI, the GN's preferential procurement policy and procedures, to contracts for the supply of goods, construction contracts, contracts for the supply of services and leases.

To the extent the application of the NNI policy and procedures result in higher operating costs or capital costs, the Revenue Requirement and the rate base will be affected.

9.10 Article 25 Inuit Impact and Benefit Agreements

Should the Corporation proceed with a hydro project or a significant energy project for an industrial customer, this article may apply. At this time, no projects have progressed to the point where the Corporation has initiated the process to obtain an Inuit Impact and Benefit Agreement.

9.11 Article 33 Archaeology

Should the Corporation proceed with a hydro project or a significant energy project for an industrial customer, this article may apply.

9.12 Article 35 Enrolment

QEC recognizes the relationship between Article 1, Article 23 and Article 35 and the application of these Articles to the Corporation's Inuit Employment Plan.

9.13 Land Claims Compliance Rate

The Corporation proposes to charge a rate of $.0125 per kWh to fund the cost of complying with the Nunavut land claims agreement, in particular Article 23.

The Land Claims Compliance Rate of $.0125 per kWh would be applied as a separate rate over and above the rates determined by the Revenue Requirement proposed in this application.

CHAPTER 10

10.0 Load Forecast

10.1 Introduction

QEC forecasts system load requirements for each community on a regular basis. Forecasts provide estimates of the electricity generation required for sales by customer class, station service, and distribution losses. System load requirements are estimated for a five year period. The load forecasts included in Appendix M, Table 10.1.1 are for the five year period ended March 31, 2009. This table also includes generation information for the Corporation's first three year's of operations. Appendix M, Tables 10.1.2, 10.1.3 and 10.1.4 include the community generation history and forecast for the Kitikmeot, Kivalliq and Qikiqtaaluq respectively.

10.2 Load Requirements

Total electricity sales and system peak demand in Nunavut has increased at an average annualized rate of 4.2% since the last General Rate Application. Commercial sales increased as new government infrastructure was required for the administration of Nunavut. Residential sales were spurred by population growth and resulting housing construction. Electricity consumption is forecast to increase at a rate of 5.4% during the 2004/05 Test Year and an average of 3.0% per year during the remaining four years of the five year forecast.

10.2.1 Kitikmeot Region

The Kitikmeot Region includes Cambridge Bay, Gjoa Haven, Kugaaruk, Kugluktuk and Taloyoak. Regional sales in the Kitikmeot Region increased at an average annual rate of 4.0% since the last GRA. Regional electricity sales are estimated to increase by 2.7% during the Test Year 2004/05 and an average of 1.8% per year during the remaining four years of the five year forecast.

10.2.2 Kivalliq Region

The Kivalliq Region consists of the seven communities along the west coast of Hudson Bay including Arviat, Baker Lake, Chesterfield Inlet, Coral Harbour, Rankin Inlet, Repulse Bay and Whale Cove. Regional sales in the Kivalliq Region increased at an average annual rate of 4.0% since the last GRA. Regional electricity sales are estimated to increase by 7.8% during the Test Year 2004/05 and an average of 2.1% per year during the remaining four years of the five year forecast.

10.2.3 Qikiqtaaluq Region

There are thirteen communities in the Qikiqtaaluq Region including Arctic Bay, Cape Dorset, Clyde River, Grise Fiord, Hall Beach, Igloolik, Iqaluit, Kimmirut, Pangnirtung, Pond Inlet, Qikiqtarjuaq, Resolute and Sanikiluaq. Regional sales in the Qikiqtaaluq Region increased at an average annual rate of 4.4% since the last GRA. Regional electricity sales are estimated to increase by 5.1% during the Test Year 2004/05 an average of 3.7% per year during the remaining four years of the five year forecast.

10.3 Load Forecasting for Nunavut's Communities

The creation of the Nunavut government increased the public sector's commercial and residential presence in Iqaluit and the decentralized communities significantly. Population growth, the new public sector, and an expansion of private enterprise to service the need for supplies and services, all impact the market for electricity. These changes occurred after the last GRA.

The Corporation's load forecast methodology utilizes monthly kWh generation and kWh sales statistics, trend analysis, GN capital plans, municipal capital plans, community level knowledge on private enterprise capital plans and internally generated information to predict monthly sales five years in advance.

The load forecast is updated annually during the capital planning process, significant variances are reviewed and significant forecast increases are compared to plant capacity to ensure the Corporation will be able to continue providing safe and reliable service during the five year forecast period.

The allocation of the Corporation's resources based on accurate load forecasting continues to ensure the reliability of service every community requires.

CHAPTER 11

11.0 Rate Structure

11.1 Introduction

Qulliq Energy Corporation and Nunavut inherited a community based rate structure from the Northwest Territories Power Corporation (NTPC) and the Northwest Territories Public Utilities Board (NT PUB) that included the following:

- Commercial rates varying from a low of 25.47 cents per kWh to a high of 90.44 cents per kWh. The average commercial rate in Nunavut is 45.84 cents per kWh.

- Residential rates varying from a low of 31.58 cents per kWh to a high of 1.0413 dollars per kWh. The average residential rate in Nunavut is 48.83 cents per kWh.

- Community rate averages varying from a low of 29.69 cents per kWh to a high of 77.02 cents per kWh.

- An average rate in Nunavut of 47.83 cents per kWh.

- A requirement for QEC to administer hundreds of community based rate combinations.

- A requirement for QEC to administer a community based subsidy rate structure on behalf of the GN and the community housing organizations.

The current situation where approved rates for some customer classes in some communities are in excess of three times higher than the same customer class in other communities is the direct result of NTPC GRA submissions, successful intervention by and on behalf of specific customers, NT PUB decisions and the on-going application of a community based rate structure.

11.2 Why we have Community Based Rates

The NT PUB Decision 12-97 dated June 16, 1997, approved the community based rate approach for all diesel communities. At the time the Decision was issued, the NT PUB perceived that:

- Community based rates sent an effective price signal to the diesel communities with respect to the true cost of electricity.

- Community based rates were not unduly discriminative and avoided any level of cross subsidization between diesel communities and hydro communities.

- Community based rates provided for the appropriate Revenue Requirement and therefore recovery from diesel communities.

- Diesel communities had not done enough to defer or reduce the level of necessary investment in generation and distribution assets.

- Diesel communities needed to be fully exposed to existing and potential costs before they would begin managing their electricity consumption.

At the time, while the NT PUB did acknowledge that, with a community based rate structure, future capital expenditures may present a problem for the smaller diesel communities, the NT PUB view was that a great deal of effort and money had been expended on the part of NTPC, the Government of the Northwest Territories (GNT), interveners and the NT PUB in an attempt to find an equitable solution to the design of rates for diesel communities and that, the implementation of a territorial rate would result in a massive cross subsidization of the diesel communities by the hydro communities.

Today, QEC, the URRC, and the GN do not have the good fortune of reviving and continuing the hydro community versus diesel community debate. At some time in the future, as diesel prices continue to rise and greenhouse gas emission reduction penalties are established, hydro, wind and other projects will become even more necessary and even more viable. One or more Nunavut communities may, at some point in the future, have the opportunity to say they deserve lower rates because they live near where the river flows or where the wind blows. Alternatively, those communities may say we are part of Nunavut first and be willing to share lower rates through a territorial rate. For now, all Nunavut's communities are diesel communities.

11.3 Rate Structure Options

The rate structure options discussed below include:

Community rates

Territorial rates

Blended rates

11.4 Community Rates

In order to continue with community rates, QEC would undertake and provide to the URRC, detailed cost of service studies for all twenty-five of Nunavut's communities. The cost of service studies would be utilized to establish rates that would recover the full costs of providing electricity to each individual community.

As a rule of thumb, the communities with the highest fuel prices would pay the highest electricity rates. The transition of Petroleum Productions Division (PPD) to Qulliq Fuel Corporation (QFC) and the determination of the true costs of fuel in each community will improve the accuracy of the cost of service studies.

The exception to the rule of thumb will be the communities who have new plants or significant plant upgrades. The construction of a new plant or a significant plant upgrade will result in a rate spike because under a community rates structure, the cost of a new plant or a plant upgrade is fully recovered from the community.

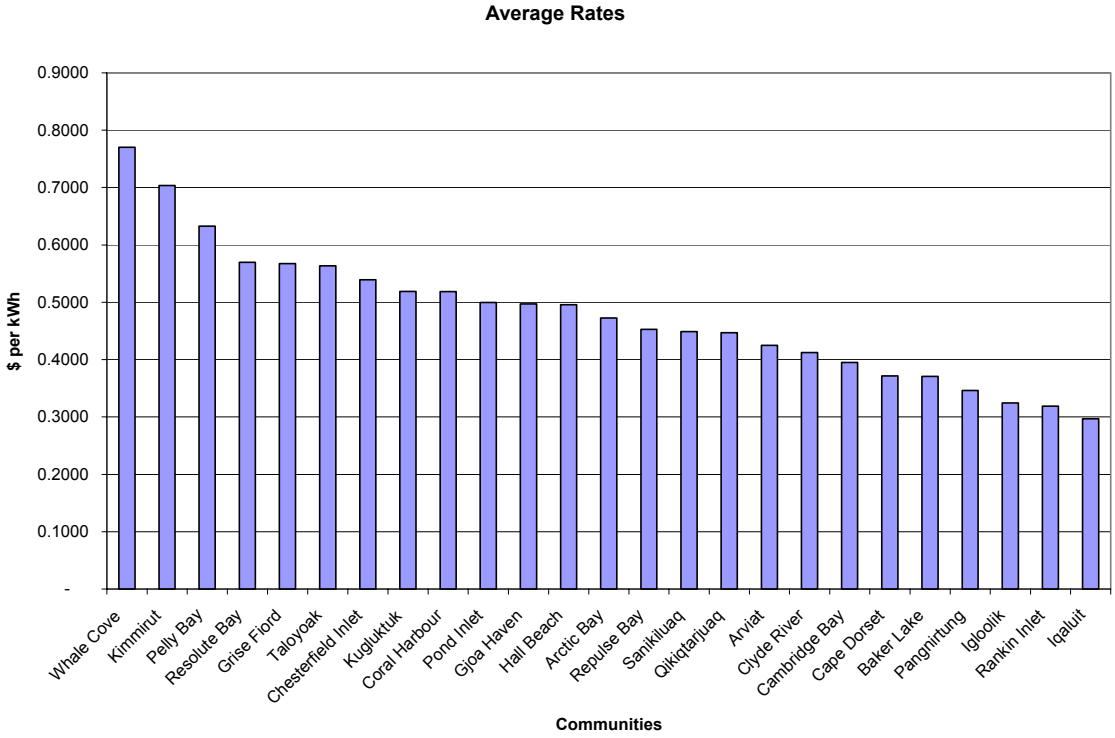
Under a community rates structure, the next two communities to experience significant rate spikes resulting from the construction of new plants will be Clyde River and Baker Lake. A new plant was built in Clyde River since the NTPC GRA that established the existing rates and a new plant is under construction in Baker Lake. Rate spikes would also occur in Arviat and Igloolik, two communities in which plant expansions are planned for 2004/05 and 2005/06 respectively.

The Corporation's capital planning has identified Qikiqtarjuaq, Grise Fiord and Cape Dorset as the three communities with the greatest need for new plants. The Corporation acknowledges that the rate spike resulting from the construction of new plants in communities is significant under a community based rates structure.

A listing of average community rates ranked from the highest to the lowest is included as Appendix N, Table 11.4.1. Appendix N, Tables 11.4.2 and 11.4.3 include average community residential rates and average community commercial rates respectively ranked from the highest to the lowest.

The Corporation would prefer not to increase the gap between the communities who pay the lowest rates and the communities who pay the highest rates by continuing with a community based rate structure beyond April 1, 2005.

The following chart indicates the existing average community rates for all Nunavut communities determined through the application of the existing community based rate structure.



11.5 Territorial Rates

In order to establish a territorial rate or territorial rates by customer class, the Corporation would continue with the GRA process and obtain a URRC recommended and Responsible Minister approved Revenue Requirement. The Revenue Requirement would be divided by the projected kWh sales in order to determine the territorial rate after determining the allocation of the Revenue Requirement to the different customer classes, residential and commercial.

After determining the residential territorial rate, a residential customer in Whale Cove (presently the highest community rate) would pay the same rate as a residential customer in Iqaluit (presently the lowest community rate). The

territorial rate structure would result in electricity rate decreases in some communities and electricity rate increases in others.

It should be noted that while the average rate in Nunavut is 47.83 cents per kWh, the weighted average rate is less due to the high concentration of electricity consumption in the larger lower rate communities like Iqaluit and Rankin Inlet, the communities with the lowest community rates for both commercial and residential classes of customers.

An analysis of the impact of moving from community rates to territorial rates is included in Appendix N, Tables 11.5.1, 11.5.2 and 11.5.3, for community total, commercial by community and residential by community. The trend indicated as the result of this analysis is a migration of revenues from communities to regional centers and from the Kitikmeot and the Kivalliq regions to the Qikiqtaaluk region. The existing Nunavut average community, residential and commercial rates of 47.83, 48.83 and 45.84 cents per kWh respectively were used for the purpose of these illustrations.

The impact of moving from community rates to territorial rates would be substantially mitigated by the following:

- Housing Support customers already pay a territorial rate of 6 cents per kWh as the result of receiving a subsidy. The subsidy has in effect created a territorial rate for approximately 50% of the residential customers in Nunavut. These customers would not experience a change unless the GN's subsidy program or subsidy rate changed.

- Territorial Support customers pay a territorial rate of 15.22 cents per kWh on the first 700 kWh as the result of receiving a subsidy. The subsidy has in effect created a territorial rate for the majority of the remaining residential customers. These customers would not experience a change for the first 700 kWh of consumption unless the subsidy program or subsidy rate changed.

- The Corporation is not proposing to change the existing $18.00 service charge for residential customers. This service charge is already a territorial rate.

- The Corporation is not proposing to change the existing $40.00 demand charge for commercial customers. This demand charge is already territorial rate.

- All of the Corporation's administrative fees and charges are territorial rates.

- Future rate stabilization riders or refunds of cents per kWh would be territorial rates or refunds that would effectively levy the effect of fuel price increases or decreases subsequent to this GRA evenly across the territory even if fuel price increases vary by community.

- Many of the Corporation's commercial customers operating in Nunavut have a Nunavut wide presence and would benefit from decreased rates in some communities to partially offset increased rates in others.

- The GN funds the Corporation's largest customer groups, i.e., the GN itself, the communities, and through the Nunavut Housing Corporation, the housing associations. While the trend in rates is necessarily upward, decreased rates in some communities would partially offset increased rates in others.

The Corporation acknowledges that NTPC endured a failed attempt to introduce a territorial rate structure in their last GRA. At that time, the introduction of a "levelized" rate structure met with significant opposition from the higher population/lower rate communities.

11.6 Blended Rates

The NT PUB, when promoting community rates, was concerned with sending the right message, effective price signals, to encourage the wise use of energy. However, demand side management will not defer capital expenditures forever and sooner or later, a community will require a new plant or a significant upgrade. At that point, the Corporation will be required to vary from the community rates structure or the community will be subject to a rate spike.

A blended rate, or hybrid rate, represents an alternative to community rates and territorial rates. Under the blended rate structure, the cost of service studies for the communities would focus on operating expenditures. The GRA Revenue Requirement would be broken down along the lines of operating expenditures and capital expenditures.

Suitable criteria would be agreed upon for the allocation of regional expenditures and head office expenditures. The rates assigned to the customer classes in

each community resulting from the blended rate structure would be a community rates to recover the Revenue Requirement resulting from operating expenditures and a territorial rate to recover the Revenue Requirement resulting from capital expenditures.

The blended rate structure would spread the recovery of capital expenditures over the entire territory, regardless of where they occurred, thereby avoiding rate spikes resulting from capital expenditures in small communities.

The blended rate structure represents a compromise between the community rate structure and the territorial rate structure. However, it does not ready the territory for the day when hydro or wind capital expenditures significantly displace diesel operating expenditures and skew community rates in favor of the geographically fortunate.

11.7 Looking Forward

In the future, the Corporation will be expected to take significant steps to reduce dependence on diesel and greenhouse gas emissions. Significant capital expenditures will be incurred to further these goals. Hydro and wind projects will become more viable as fuel prices increase and penalties for not reducing greenhouse gas emissions are established.

These capital expenditures will be incurred in some communities before others and these capital expenditures will reduce operating expenditures because diesel consumption will be displaced. Should these capital expenditures benefit more than the community where the river happens to flow with sufficient volume or the wind happens to blow with the required consistency? Or, should these capital

expenditures benefit only the community in which they occur? The territorial rate structure sets the stage for projects that will displace diesel and benefit all customers.

11.8 Rate Structure Recommendation

The Corporation is requesting the implementation of a territorial rate structure. The Corporation's reasons for recommending that a territorial rate structure be implemented to determine the new rates resulting from the approved Revenue Requirement and the projected load include the following:

- A territorial rate structure recognizes that Nunavut is one territory and not three competing regions or twenty-five competing communities.

- A territorial rate structure encourages investment in alternative energy projects and will ensure all Nunavummiut benefit from future alternative energy projects, regardless of where they are located in the territory.

- A territorial rate structure will ensure smaller communities are not penalized by rate spikes when their plant needs to be upgraded or replaced. When recommending the new plant in Baker Lake, the URRC requested the Corporation provide a proposal for mitigating rate shock resulting from the addition of a new power plant to the rate base. A territorial rate would not only mitigate new plant rate spikes, it would rectify on a going forward basis, previous rate spikes.

- A territorial rate structure recognizes that the subsidies provided to residential customers have already created territorial rates for those customers.

- A territorial rate structure recognizes that the Corporation's base, minimum, and administrative charges are already territorial rates.

- A territorial rate structure recognizes that re-establishing the Rate Stabilization Fund will result at some time in the future, a territorial fuel rider should fuel prices continue to rise or a territorial fuel rebate, should fuel prices decline.

- A territorial rate structure will result in rates that are fair and reasonable for all Nunavummiut.

- Administration of electricity rates and the rate setting process will be significantly streamlined with the number of rate schedules reduced from twenty-five to one.

- The transition to territorial rates will result in some communities experiencing a reduction in rates, even with the proposed increase in this GRA.

- The transition to territorial rates will result in some communities experiencing an increase in rates combined with the proposed increase in this GRA. The transition for customers other than Housing Support and

Territorial Support could be phased in over a reasonable period of time while remaining neutral to the approved Revenue Requirement.

The Corporation proposes that the rate structure and rates established as the result of this GRA will not apply to the provision of electricity, fuel and heat (energy) to industrial sites where the Corporation is contracted to provide energy through the construction and/or operation of site specific facilities, providing there is not an increase in the Revenue Requirement to customers subject to the rate structure and rates established under this GRA.

The Corporation further proposes that the rate structure and rates established as the result of this GRA will not apply to the provision of electricity, fuel and heat to industrial sites where the Corporation is contracted to provide energy through the operation of existing and/or upgraded existing facilities, providing there is not an increase in the Revenue Requirement to customers subject to the rate structure and rates established under this GRA.

CHAPTER 12

Rates

12.1 Introduction

The Corporation's Revenue Requirement of $77.2 million will be recovered from customers through a combination of metered charges for consumption, metered demand, non-metered monthly service charges, and miscellaneous revenue including joint use, residual heat, and charges and fees relating to the administration of the provision of service.

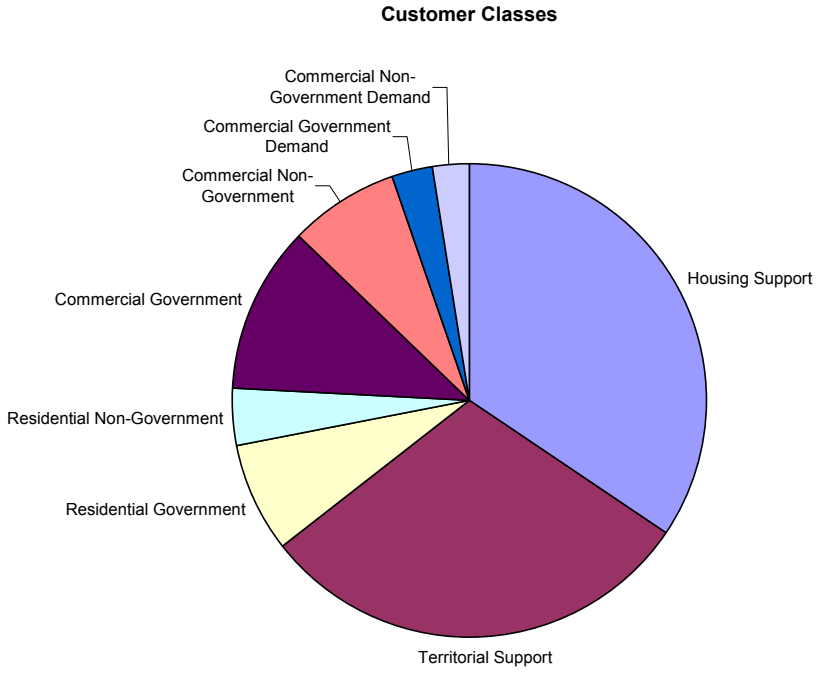
The portion of the Revenue Requirement that will be recovered from metered consumption is determined by subtracting the metered demand, forecast non-metered revenue, miscellaneous revenue and streetlight revenue from the Revenue Requirement. Appendix O, Table 12.1.1 represents a forecast of the Revenue Requirement less the metered demand, non-metered revenue, miscellaneous revenue and streetlight revenue forecasts.

In this GRA, where a change in rate structure is contemplated, the calculated metered Revenue Requirement becomes more relevant to the determination of rates than the calculated revenue deficiency because the revenue at existing rates no longer represents the base from which to apply the rate increase.

For example, the application of a percentage increase to the existing rates would only serve to widen the gap between the customers paying the highest rates and

the customers paying the lowest rates. The implementation of a territorial rate structure will serve to eliminate the gap.

Appendix O, Table 12.1.2 represents a listing of the Corporation's existing customer classes and the number of customers in each class at March 31, 2004. This information is maintained for all of Nunavut's communities and would be utilized along with community generation and community Revenue Requirement data to determine rates under a community rate structure or a blended rate structure should the URRC not recommend the territorial rate structure to the Responsible Minister. The following chart indicates the proportion of the individual customer classes to the total number of customers.



12.2 Metered Demand Revenue

Appendix O, Table 12.2.1 represents a forecast of metered demand revenue. The Corporation proposes not to increase the rate for metered demand and resolve the revenue deficiency entirely from metered charges for consumption as a measure to promote demand side management.

12.3 Non-Metered Monthly Service Charge Revenue

Appendix O, Table 12.3.1 represents a forecast of non-metered monthly service charges calculated in accordance with Appendix C of the Terms and Conditions of Service. The Corporation proposes not to increase the monthly service charges and resolve the revenue deficiency entirely from metered charges for consumption as a measure to promote demand side management.

12.4 Miscellaneous Revenue

Appendix O, Table 12.4.1 represents a forecast of miscellaneous revenue including joint use, residual heat, and charges and fees relating to the administration of the provision of service determined in accordance with Appendix C of the Terms and Conditions of Service. The Corporation proposes not to increase the miscellaneous charges in Appendix C and resolve the revenue deficiency entirely from metered charges for consumption as a measure to promote demand side management.

12.5 Streetlight Revenue

The Corporation is requesting approval to adjust streetlight rates to the monthly fixed rates per type listed in Appendix O, Table 12.5.1. These rates were calculated as follows:

$$\frac{\text{(Lamp Power + Ballast Power) x 4,000 hours per year x Electricity Rate)}}{\text{12 months}}$$

Note that:

1. Lamp power varies by type, mercury vapor versus high pressure sodium, and by size
2. Ballast power varies by lamp type and by size as well

The streetlight revenue forecast was calculated at a projected territorial rate rounded to $.53 per kWh for the purposes of determining the Metered Consumption Revenue Requirement $/kWh.

12.6 Allocation of the Metered Revenue Requirement

In lieu of a cost of service study to determine the allocation of the Revenue Requirement between residential and commercial customers, the Corporation reviewed the outcome of the cost of service study undertaken by NTPC for their most recent GRA, in particular the outcome for diesel communities. In addition, the Corporation compared the outcome of the cost of service study undertaken by NTPC with the existing allocation for Nunavut communities and the previous allocation for Northwest Territories diesel communities. The analysis, included as Appendix O, Table 12.6.1, indicates the following:

- The old NTPC commercial rates were on the average, $0.0271 per kWh or 5.17% higher than the old NTPC residential rates

- The existing NPC commercial rates are on the average $0.0300 per kWh or 6.54% lower than the existing NPC residential rates

- The new NTPC commercial rates are on the average only $0.0036 per kWh or .5% higher than the new NTPC residential rates

- The average commercial rate in NT has migrated $.0235 per kWh towards the lower average residential rate

- A similar migration in NU would broaden the difference between the average commercial rate and the average residential rate because the average commercial rate in NU is already lower

While NTPC commercial and residential rates increased significantly, the percentage increases were not equal. Appendix O, Table 12.6.2 indicates the following:

- NTPC residential rates increased an average of $0.2229 per kWh or 43.7%
- NTPC commercial rates increased an average of $0.1995 per kWh or 36.2%

Given the variation in average cents per kWh and percentage rate increases resulting from the NTPC GRA, and the beginning variation in average residential

versus average commercial rates in NT versus Nunavut, the Corporation has not relied entirely on the NTPC cost of service study and has prepared cost of service information which has been submitted with this application as Appendix P, Cost of Service Allocation.

12.7 Residential Territorial Rate

Based on the Cost of Service Allocation, 40.0**%** of the Metered Consumption Revenue Requirement has been allocated to the residential customers. Given the projected kWh sales to residential customers during the Test Year, the Corporation is requesting a residential territorial rate of $0**.**5333 per kWh, see Appendix P, Table 12.7.1.

12.8 Commercial Territorial Rate

Based on the Cost of Service Allocation**,** 58.5% of the Metered Consumption Revenue Requirement has been allocated to the commercial customers. Given the projected kWh sales to commercial customers during the Test Year, the Corporation is requesting a commercial territorial rate of $0.4983 per kWh, see Appendix P, Table 12.7.1.

CHAPTER 13

13.0 Terms and Conditions of Service

13.1 Introduction

This chapter describes the proposed changes to the Terms and Conditions of Service. The proposed Terms and Conditions of Service is attached as Appendix L to this Application.

The proposed changes to the Terms and Conditions of Service are intended to ensure ease of understanding by both the Corporation's customers and the Corporation's employees. As well, the changes focus on, in a favorable and logical manner, concerns that have occurred over the preceding number of years. The revised Terms and Conditions of Service will improve the Corporation's capability to deal with the requirements of its customers and secure equality and uniformity in the Corporation's consideration of its Customers.

A number of the changes address minor issues, which do not significantly impact on the effect of the Terms and Conditions of Service. An overview of the more notable changes is supplied below. For specified changes, please consult Appendix L.

13.2 Summary of Proposed Amendments

Section 1.2 Effective Date

The Corporation requests that the URRC recommend the coming into force of the proposed Terms and Conditions of Service on the effective day of the new rates.

2.9 Customer Definition and Application of the Terms and Conditions

The Corporation has had difficulty in the past obtaining signed customer service orders from customers due to the conditions in which the Corporation operates in the North. As well, due to the transient nature of the communities, the Corporation is not always advised of changes in building occupants. As a result, the Corporation could face significant financial loss and/or liability unless all persons receiving services from the Corporation are made subject to the Terms and Conditions of Service.

To make it clear that all persons receiving service from the Corporation are bound by the Terms and Conditions of Service, the Corporation has revised the definition of “Customer” to include a person or entity to which service is being or has been provided, whether or not the name or signature of the person or entity appears on a written application for service or contract. Section 4.1 has been revised to make it clear that the Terms and Conditions of Service apply to customers irrespective of whether they have signed a customer service order or contract for service.

As well, a number of provisions in the Terms and Conditions of Service are applicable to applicants for service to whom the Corporation has decided to provide service, but to whom service has not yet been provided. The Corporation has made this clear by including such applicant in the definition of Customer.

Section 2.13 Demand Definition

To provide clarity to the requirement for the installation of a demand meter, an average consumption of 36,000 kWh annually necessitates the installation of a demand meter. The Corporation may install a demand meter at its sole discretion, as the Customer may require 36,000 kWh for one year period only (for example, construction) and not for any consecutive years to follow.

Section 2.19 Fuel Stabilization Rider

The definition has been added to the Terms and Conditions of Service to reflect the proposed rate in the General Rate Application to recover the costs incurred by the Corporation for increases in the price of fuel.

Section 2.22 Industrial Definition

The current definition of this term is not specific enough to differentiate between Customers receiving Industrial Service and Customers receiving Commercial Service in all cases. The proposed change adds more detail to the definition which allows for greater clarity differentiating between Industrial and Commercial classifications.

Section 2.33 Renaming Domestic Definition

For greater clarity and to be consistent with current utility practice, the Corporation proposes to change the term “Domestic” to “Residential”. The meaning ascribed to the term has been revised for clarity but is essentially the same in substance as in the Corporation’s previous Terms and Conditions of Service.

Sections 2.34, 2.36 and 2.37 Seasonal, Short-Term and Construction Temporary Service Definitions

The term “Temporary Service” is used in the Corporation’s current Terms and Conditions of Service, but the term is not explicitly defined. Definitions of three different types of temporary service (for example, Seasonal Service, Short-Term Temporary Service and Construction Temporary Service) have been included in the revised Terms and Conditions of Service to add greater clarity to the rights and obligations that are applicable to these types of temporary Service.

Sections 2.38 and 4.2 TMI and TMI Deposits

These terms are used in a number of sections in the Corporation’s current Terms and Conditions of Service. In each instance, the terms are defined, leading to significant redundancy. Accordingly, the Corporation proposes to define each of these terms in referenced sections for the purposes of the Terms and Conditions of Service, thus adding clarity and reducing the redundancy.

Section 4.3 Service Connection

This new clause addresses circumstances where the Corporation incurs significant incremental costs associated with providing service connections in communities other than regional centers where the Corporation's linemen are based. Unless service connections are scheduled during regularly scheduled maintenance trips to the communities, the incremental costs incurred are not included in the Corporation's forecast. The new clause provides that if a request is made for a service connection, the Customer will be required to sign a TMI and provide a TMI deposit, and be responsible for the incremental costs incurred by the Corporation. The Corporation will endeavor to mitigate the TMI costs for service connections where possible.

Section 4.5 Rejection of Application for Service

Section 4.5(c) has been revised to include an Applicant's lack of credit-worthiness as a basis for rejecting an application or request for service.

Section 4.5(g) has been added as a means of assisting the Corporation in obtaining signed documents from applicants for service from the Corporation in circumstances where applicants often do not see the need to make an effort to formally sign such documents.

Section 5.3 Application of Rate Schedules

This section has been revised to ensure that customers who receives service for both residential and commercial purposes will be subject to the commercial rate rather than the residential rate, unless separate meters are installed to

differentiate between the energy consumed for each purpose. This change will eliminate the present requirement for Corporation employees to decide as to whether the energy consumed by such a Customer is predominantly for residential or commercial purposes.

Section 5.4 Power Amplifier Boxes

The Corporation's current practice with respect to determining charges applicable to power amplifier boxes is to estimate the monthly consumption based on the amp and voltage rating. Consequently, most of these types of customers are at different rates, the determination of which is relatively subjective.

This new section allows the Corporation to bill these types of accounts based on the maximum rated consumption of the amplifier boxes. This section also provides that if the Customer requests that the amplifier boxes be metered, the Corporation will bill based on actual consumption. This charge will eliminate the present requirement for Corporation employees to decide on the annual consumption of amplifier boxes.

Section 5.6 Change in Service Requirements

The addition of this new section provides the Corporation with the authority to change a customer's rating classification where the purpose for which the customer uses the service changes from one classification to another, whether or not the customer has notified the Corporation of the change. This section will help ensure that all customers pay their fair share of the Corporation's cost of providing service.

Section 5.8 Amount of Security Deposit

There are significant variations in consumption patterns between different classifications of customers. This section has been revised to improve the matching of the amount of a security deposit to a customer's consumption pattern. The intent is to obtain security deposits that more accurately reflect a customer's level of potential default in payment to the Corporation.

Section 5.9 Interest and Refund Deposits

Section 5.9 has been revised to provide that a credit balance on a closed account will only be refunded by cheque to a customer if the balance is greater that $5.00 to reduce the administrative costs.

Section 5.11 Customer Complaint Process

A customer complaint process has been added to provide consistency with response to issues customers may have over service provided by the Corporation. This section will enable customers and Corporation employees' a clearly defined direction for addressing complaints.

Section 6.2 Maintenance Adjustment

This section has been revised to bring certainty to the phrase "in reasonable time" relating to the Corporation's obligation to restore street lighting service as set out in the Corporation's current Terms and Conditions of Service. The time frames included in this section were determined on the Corporation's typical

maintenance schedules and approximate length of time between maintenance trips to remote communities.

The revised section also provides that the Customer will be responsible for any incremental costs incurred by the Corporation if the Customer requests that maintenance be performed at a time other than the Corporation's regularly scheduled maintenance trips to the community, where applicable.

Section 7.1 Application for Service (Private Area Street Lighting)

This section has been revised to specifically require that the customer obtain all permits/approvals from the proper authorities. This will enable the Corporation to ensure that the service connection(s) made will be safe and consistent with the applicable standards in effect from time to time. The onus is on the customer to provide these permits since the private area lighting facilities are not owned or maintained by the Corporation unless otherwise arranged between the customer and the Corporation by a separate agreement.

Section 9.4 Interference

A section on interference as defined by the current Terms and Conditions of Service has been deleted as the Corporation is not required to manage vegetation in Nunavut.

Section 9.5 Delay in Taking Service

This section has been revised to delete the holdback by the Corporation of an amount for interest. The result is that no interest amount is deducted from the

refund to the Customer. This change reduces administrative costs (as any interest earned is likely to be small) and simplifies the process for both parties.

Section 9.7 Extension of Service

A new paragraph has been added to this section to give the Corporation the authority to recover incremental costs in situation where a customer requires special materials or equipment that would not be considered standard. This will assist the Corporation in more effectively managing equipment, material and maintenance costs by making it more attractive to customers to adhere to the Corporation's standards where possible.

Section 10.2 Right of Entry

A new paragraph has been added to this section to enable the Corporation to enter a customer's property at any time in the event of an emergency situation which poses a threat to persons, property, Corporation facilities and/or the provision of service.

Section 10.3 Access to Meters

To encourage customers to keep meters accessible, this section has been revised to allow the Corporation to estimate bills until the customer has remedied the situation and/or the Corporation has remedied the situation for the customer and charged the cost on the customer's bill.

Section 11.2 Location (Metering)

This section has been revised to provide that:

(a) the Corporation and the customer shall together determine a reasonable meter location and the customer will make that location available for the installation of the meter;

(b) in selecting the meter location, the Corporation and the customer will have regard for applicable statutes, regulations, standards and codes and the type of service required; and

(c) the customer will ensure that the meter is reasonably accessible to the Corporation.

As well, the section has been revised to allow the Corporation, in circumstances where meter receptacles have not been installed and maintained with the Corporation's guidelines, to move the meter to an acceptable location and charge the costs of doing so to the Customer, rather than merely discontinuing service.

Section 11.3 Meter Tests and Adjustments

A new paragraph has been added to this section to enable the Corporation to charge the customer the actual cost incurred for testing a meter if the test discloses that the meter was accurate. This is intended to act as a deterrent to requests for unnecessary tests, as tests are very costly in terms of time, shipping and temporary meter replacement. This change is particularly appropriate in light of the fact that very few meters are actually found to be faulty and, in any event,

faulty meters can usually be detected through a much less costly analysis of the customer's billing history.

Section 12.1 Meter Readings and Estimates

This section has been revised to provide specific instances in which the Corporation would bill customers based on estimated meter readings.

Section 12.2 Billing Adjustments

This section has been added to provide customers and the Corporation's employees with specific guidance as to the manner in which billing adjustments will be made. This will ensure that customers are treated fairly and consistently in terms of billing adjustments.

Section 12.3 Payment of Accounts, 12.6 Late Payment Charge, and
16.3 Non-Payment

To reflect the requests from customers for past due reminders, the Corporation proposes to change these provisions for clarification. The due date of bills will be changed from 7 days following the date of mailing to 21 days following the billing date. An arrears letter will not be mailed to the customer until 35 days after the billing date. The disconnect date will change to 65 days after the billing date. A disconnection letter will be mailed to the customer before any disconnection or load limiter installation. Interest will be charged on overdue accounts 7 days after the due date, allowing time for payments to arrive in the area offices from the communities. The significant dates in the billings and collection process will be as follows:

- Meter read date – the date the meters are read
- Billing date – seven days after the meter read date
- Due date – twenty-one days after the billing date
- Arrears letter – seven days after the due date
- For administrative purposes, the Corporation may include an arrears reminder on the bill following the unpaid bill, rather than send a separate arrears letter
- Interest application date – seven days after the due date
- Disconnect date – seven days after the due date on the billing on which arrears first appeared
- Disconnect letter - seven days after the due date on the billing on which arrears first appeared

Section 12.5 Pro-ration of Initial and Final Billings

In an effort to reduce the amount of administrative time spent on tasks that do not generate enough revenue to recover costs, new provisions have been added to this section which provides that: the Corporation may choose to waive certain charges for billings of less than 7 days where there has been no consumption of electricity by the final billing. Charges totaling less than $5.00 will not be billed to a customer on a final billing.

Section 13.2 Limitations of Corporation Liability

This section has been added to include a clause protecting the Corporation against customer claims for losses or damages resulting from interruption of supply. This is comparable to current industry practice.

Section 14.1 Provide Permit (Customer Responsibility)

This new section requires the customer to ensure that all applicable permits, licenses and authorizations are provided to the Corporation prior to the commencement of service, any change of service requirements at a point of delivery, or commencement of construction of new service extensions. The purpose of this section is to ensure that the Corporation does not incur significant costs in the absence of such permits, licenses and authorizations being in place.

Section 14.3 Customer's Installation and Operation

The proposed revision to this section is to specify that the customer must have the Corporation's consent before installing any customer facilities that will be supplied with service. This will assist the Corporation in ensuring that any equipment installed by the customer complies with the standards and regulations in effect from time to time, thus preventing damage to the Corporation's facilities.

Section 14.7 Damage

The Corporation has had instances of repetitive vandalism of Corporation facilities. The current Terms and Conditions of Service do not specifically define what recourse the Corporation has with regard to compensation for the costs of repair or replacement of Corporation facilities in such circumstances. This revised section allows the Corporation to recover these costs in the customer's regular bill where damage has occurred as a result of the negligent acts or omissions or willful misconduct of the customer or anyone permitted by the customer to be on the premises.

Section 14.9 Service Calls

This section has been revised to include a $40.00 Service Call Response Fee where the source of the service call is the customer's facilities.

Schedule A

Section 2(b).ii and 4(d)

Section 2(b).ii has been revised to clarify the original meaning and to provide the actual calculation to be used.

Section 4(d) has been revised to reflect the current method of amortization used by the Corporation.

Schedule C

Fees and Service Charge Summary

All fees and charges that are subject to GST have been clearly identified.

CONSOLIDATION OF NUNAVUT POWER UTILITIES ACT

R.S.N.W.T. 1988,c.N-2

AS AMENDED BY NORTHWEST TERRITORIES STATUTES:

R.S.N.W.T. 1988,c.46(Supp.)
R.S.N.W.T. 1988,c.66(Supp.)
R.S.N.W.T. 1988,c.108(Supp.)
In force April 1, 1992
S.N.W.T. 1997,c.8
S.N.W.T. 1996,c.19
In force April 1, 1998;
SI-005-98
S.N.W.T. 1999,c.7

AS AMENDED BY STATUTES ENACTED UNDER SECTION 76.05 OF NUNAVUT ACT:

S.N.W.T. 1999,c.8
In force April 1, 1999

CODIFICATION ADMINISTRATIVE DE LA LOI SUR LES ENTREPRISES DE SERVICE ÉNERGÉTIQUE DU NUNAVUT

L.R.T.N.-O. 1988, ch. N-2

MODIFIÉE PAR LES LOIS DES TERRITOIRES DU NORD-OUEST SUIVANTES :

L.R.T.N.-O. 1988, ch. 46 (Suppl.)
L.R.T.N.-O. 1988, ch. 66 (Suppl.)
L.R.T.N.-O. 1988, ch. 108 (Suppl.)
Entrée en vigueur le 1er avril 1992
L.T.N.-O. 1997, ch. 8
L.T.N.-O. 1996, ch. 19
En vigueur le 1er avril 1998;
TR-005-98
L.T.N.-O. 1999, ch. 7

MODIFIÉE PAR LA LOI ÉDICTÉE EN VERTU DE L'ARTICLE 76.05 DE LA LOI SUR LE NUNAVUT SUIVANTE :

L.T.N.-O. 1999, ch. 8
En vigueur le 1er avril 1999

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NUNAVUT POWER UTILITIES ACT

S.N.W.T. 1999,c.8,Sch.A,s.1

INTERPRETATION

Definitions

1. In this Act,

"cost of service" means the total cost to the Corporation of providing energy to its customers; (*coût du service*)

"energy" means

(a) electricity,

(b) heat that is supplied through a district heating system by hot water, hot air or steam,

(c) manufactured gas, liquified petroleum gas, natural gas, oil or any other combustible material that is supplied through a pipeline or any other distribution system directly to a customer, or

(d) any form of energy or power supplied in any manner prescribed by the *Public Utilities Act*. (*énergie*)

"equity" includes the amounts that would be classified as shareholder's equity on a balance sheet prepared according to generally accepted accounting principles as set out in the accounting recommendations of the *CICA Handbook* of the Canadian Institute of Chartered Accountants; (*capitaux propres*)

"plant" means a facility or facilities for the generation, transforming, transmission, distribution, delivery, supply or control of energy or for the distribution, delivery or supply of water and sewerage services and includes the site of the facility or facilities, and all land, water, rights to use water, buildings, works, machinery, installations, materials, transmission lines, distribution lines, pipelines, furnishings and equipment, plant in construction, stores and supplies acquired, constructed, used or adapted for or in connection with the facility or facilities; (*installation*)

"rate structure" means the rate zones, classes of customers of the Corporation, classes of service provided by the Corporation and the rules respecting the allocation of the revenue requirements among the rate zones, classes of customers and classes of service; (*structure tarifaire*)

"revenue requirements" means the costs of service plus return on equity. (*besoins en revenus)*

R.S.N.W.T. 1988,c.46(Supp.),s.2; c.108(Supp.),s.2;

LOI SUR LES ENTREPRISES DE SERVICE ÉNERGÉTIQUE DU NUNAVUT

L.T.N.-O. 1999, ch. 8, Ann. A, art. 1

DÉFINITIONS

Définitions

1. Les définitions qui suivent s'appliquent à la présente loi.

«besoins en revenus» Le coût du service ajouté au rendement des capitaux propres. (*revenue requirements*)

«capitaux propres» Sont assimilées aux capitaux propres les sommes d'argent qui seraient identifiées comme l'avoir des actionnaires dans un bilan établi en conformité avec les principes comptables généralement reconnus, qui sont énoncés dans les recommandations du *Manuel de l'ICCA* de l'Institut canadien des comptables agréés. (*equity*)

«coût du service» Le coût total pour la Société de la fourniture d'énergie à sa clientèle. (*cost of service*)

«énergie»

a) L'électricité;

b) la chaleur fournie, grâce à une installation de chauffage centralisée, par eau chaude, air chaud ou vapeur;

c) gaz manufacturé, gaz de pétrole liquéfié, gaz naturel, pétrole ou autre substance combustible fournie par canalisation ou tout autre système de distribution directe à la clientèle;

d) toute forme d'énergie fournie de toute manière prescrite par la *Loi sur les entreprises de service public*. (*energy*)

«installation» Installation destinée à la production, à la transformation, à la transmission, à la distribution, à la livraison, à la fourniture ou à la maîtrise de l'énergie ou destinée à la distribution, la livraison ou la fourniture de l'eau et des services des égoûts; y sont assimilés l'emplacement de l'installation et les terrains, eaux, droits d'utilisation de l'eau, bâtiments, ouvrages, machines, matériel, lignes de transmission ou de distribution, canalisations, accessoires et équipement, installation en construction, magasins et fournitures acquis, construits, utilisés ou adaptés pour l'installation ou relativement à celle-ci. (*plant*)

S.N.W.T. 1999,c.8,Sch.A,s.2.

«structure tarifaire» Les zones tarifaires, les catégories de clients de la Société et les catégories de services offerts par celle-ci, et les règles relatives à la détermination des besoins en revenus des différentes zones tarifaires, catégories de clients et catégories de services. (*rate structure*)
L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 2; ch. 108 (Suppl.), art. 2; L.T.N.-O. 1999, ch. 8, Ann. A, art. 2.

Paramountcy

1.1. Where there is a conflict or an inconsistency between this Act or the regulations and the *Public Utilities Act* or any other enactment, this Act shall prevail to the extent of the conflict or inconsistency.
S.N.W.T. 1999,c.8,Sch.A,s.3.

Incompatibilité

1.1. En cas d'incompatibilité entre la présente loi ou ses règlements d'application et la *Loi sur les entreprises de service public* ou tout autre texte, la présente loi a préséance. L.T.N.-O. 1999, ch. 8, Ann. A, art. 3.

PART I

NUNAVUT POWER CORPORATION

PARTIE I

SOCIÉTÉ D'ÉNERGIE DU NUNAVUT

Definitions

1.2. In this Part,

"Board" means the Board of Directors established by subsection 8(1); (*conseil*)

"Corporation" means the Nunavut Power Corporation established by subsection 4(1). (*Société*)
S.N.W.T. 1999,c.8,Sch.A,s.3.

Définitions

1.2. Les définitions qui suivent s'appliquent à la présente partie.

«conseil» Le conseil d'administration, constitué par le paragraphe 8(1). (*Board*)

«Société» La Société d'énergie du Nunavut, constituée par le paragraphe 4(1). (*Corporation)*
L.T.N.-O. 1999, ch. 8, Ann. A, art. 3.

Business Corporations Act

2. The provisions of the *Business Corporations Act* that are prescribed apply to the Corporation.
S.N.W.T. 1996,c.19,Sch.,s.9(2); S.N.W.T. 1999,c.7, s.2.

Loi sur les sociétés par actions

2. Les dispositions prescrites de la *Loi sur les sociétés par actions* s'appliquent à la Société. L.T.N.-O. 1996, ch. 19, Ann., art. 9(2); L.T.N.-O. 1999, ch. 7, art. 2.

Public Utilities Act

3. Except as otherwise provided, the *Public Utilities Act* applies to the Corporation.

Loi sur les entreprises de service public

3. Sauf disposition contraire, la *Loi sur les entreprises de service public* s'applique à la Société. L.T.N.-O. 1997, ch. 8, art. 24.

3.1. R.S.N.W.T. 1988,c.46(Supp.),s.3; **Repealed, S.N.W.T. 1999,c.8,Sch.A,s.4.**

3.1. L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 3; **Abrogé, L.T.N.-O. 1999, ch. 8, Ann. A, art. 4.**

Establishment of Corporation

4. (1) A corporation called the Nunavut Power Corporation is established.

Constitution

4. (1) Est constituée la Société d'énergie du Nunavut, dotée de la personnalité morale.

Agent of Government of Nunavut

(2) The Corporation is an agent of the Government of Nunavut. S.N.W.T. 1999,c.8,Sch.A, s.5,6,7(a).

Mandataire

(2) La Société est mandataire du gouvernement du Nunavut. L.T.N.-O. 1999, ch. 8, Ann. A, art. 5, 6 et 7a).

Objects of Corporation

5. (1) The objects of the Corporation are

(a) to generate, transform, transmit, distribute, deliver, sell and supply energy on a safe,

Mission de la Société

5. (1) La Société a pour mission :

a) de produire, de transformer, de transmettre, de distribuer, de livrer, de vendre et de

economic, efficient and reliable basis;

(b) to supply water and sewerage services;

(b.1) to undertake programs to conserve energy;

(c) to ensure a continuous supply of energy adequate for the needs and future development of Nunavut; and

(d) to undertake any other activity authorized by the Executive Council.

fournir de l'énergie d'une façon sûre, économique, efficiente et fiable;

b) de fournir des services d'eau et d'égout;

b.1) d'entreprendre des programmes de conservation de l'énergie;

c) de veiller à ce qu'il y ait un approvisionnement en énergie constant, capable de favoriser le développement du Nunavut et de répondre à leurs besoins;

d) d'entreprendre toute autre activité autorisée par le Conseil exécutif.

Subsidiaries

(2) The Corporation may, with the approval of the Executive Council, establish one or more subsidiaries to carry out its objects. R.S.N.W.T. 1988,c.46(Supp.),s.4; S.N.W.T. 1999,c.8,Sch.A, s.8(a).

(2) La Société peut, avec l'approbation du Conseil exécutif, établir une ou plusieurs filiales pour réaliser sa mission. L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 4; L.T.N.-O. 1999, ch. 8, Ann. A, art. 8(1).

Filiales

Natural person

6. Subject to this Act, the Corporation has the capacity, rights, powers and privileges of a natural person.

6. Sous réserve des autres dispositions de la présente loi, la Société est assimilée à une personne physique.

Assimilation

Act contrary to objects

7. No act of the Corporation, including any transfer of property to or by the Corporation, is invalid or void by reason only that the act or transfer is contrary to the objects of the Corporation.

7. Le seul fait qu'un acte accompli par la Société, y compris un transfert de biens, soit contraire à sa mission n'a pas pour effet de le rendre nul ou invalide.

Actes contraires à la mission de la Société

Board of Directors

8. (1) There shall be a Board of Directors of the Corporation composed of not fewer than six directors and not more than 10 directors.

8. (1) Les affaires de la Société sont dirigées par son conseil d'administration, formé de six à dix administrateurs.

Conseil d'administration

Chairperson and vice-chairperson

(2) The chairperson and vice-chairperson of the Board shall be designated by the Minister from among the directors.

(2) Le ministre choisit le président et le vice-président du conseil parmi les administrateurs.

Président et vice-président du conseil

Powers and duties of Board

(3) The Board shall direct the business of the Corporation and may for that purpose exercise the powers and perform the duties of the Corporation under this Act and the regulations.

(3) Le conseil dirige les affaires de la Société et, à cette fin, il peut exercer les attributions que la présente loi et ses règlements confèrent à la Société.

Attributions du conseil

Direction of Minister

(4) The Board, in exercising its powers and performing its duties and the powers and duties of the Corporation under this Act and the regulations, shall act in accordance with the directions and policy guidelines that may from time to time be issued or established by the Executive Council.

(4) Dans l'exercice de ses attributions et de celles que confèrent à la Société la présente loi et ses règlements, le conseil est tenu de suivre les directives et lignes directrices que peut donner ou formuler le Conseil exécutif.

Directives du ministre

Duties of vice-chairperson

8.1. (1) The chairperson may delegate to the vice-chairperson the powers and duties given to the chairperson under this Act and the regulations.

8.1. (1) Le président du conseil peut déléguer au vice-président du conseil les attributions que la présente loi et ses règlements confient au président du conseil.

Attributions du vice-président du conseil

Absence of chairperson

(2) Where the chairperson is absent or is unable to act, the vice-chairperson shall perform the duties and exercise the powers of the chairperson. R.S.N.W.T.

(2) En cas d'absence ou d'empêchement du président du conseil, le vice-président du conseil assume la présidence du conseil. L.R.T.N.-O. 1988, ch. 46

Absence du président du conseil

1988,c.46(Supp.),s.5.

(Suppl.), art. 5.

Appointment of director

9. (1) A director shall be appointed by the Minister.

9. (1) Le ministre nomme les administrateurs.

Nomination

Term

(2) A director shall be appointed for a term not exceeding three years as specified in the appointment.

(2) Le mandat d'un administrateur ne peut, aux termes de l'acte de nomination, excéder trois ans.

Mandat

Delay of appointment

(3) Notwithstanding subsection 8(1) and subsection (1), the Minister may, in his or her discretion, elect not to appoint directors to the Board of Directors while Part II of this Act is in force. S.N.W.T. 1999,c.8,Sch.A,s.9.

(3) Malgré le paragraphe 8(1) et le paragraphe (1), le ministre peut, à sa discrétion, choisir de ne pas nommer les administrateurs du conseil d'administration pendant qu'est en vigueur la partie II de la présente loi. L.T.N.-O. 1999, ch. 8, Ann. A, art. 9.

Retard dans la nomination

Honorarium and expenses

10. (1) A director shall be paid an honorarium, if the director is not a member of the public service as defined in the *Public Service Act* and shall be reimbursed for expenses.

10. (1) Les administrateurs ont droit à une rémunération, s'ils ne sont pas fonctionnaires au sens de la *Loi sur la fonction publique*, et au remboursement de leurs frais.

Rémunération et frais

Fixing of honorarium and expenses

(2) The Minister shall fix the honorarium and expenses referred to in subsection (1).

(2) Le ministre fixe la rémunération et les frais visés au paragraphe (1).

Fixation

By-laws

11. (1) The Board may, by by-law, govern its proceedings and provide generally for the conduct of the business of the Corporation.

11. (1) Le conseil peut, par règlement administratif, régir sa procédure et, de façon générale, la direction des affaires de la Société.

Règlements administratifs

Quorum

(2) A majority of the directors constitutes a quorum.

(2) La majorité des administrateurs constitue le quorum.

Quorum

President

12. (1) There shall be a president of the Corporation appointed by the Minister, on the recommendation of the Board.

12. (1) Le ministre nomme le président de la Société, sur recommandation du conseil.

Président

Remuneration

(2) The Minister shall, on the recommendation of the Board, fix the remuneration and other terms and conditions of employment of the president.

(2) Le ministre fixe, sur recommandation du conseil, la rémunération et les conditions de travail du président.

Rémunération

(3) **Repealed, R.S.N.W.T. 1988,c.46,(Supp.), s.6.**

(3) **Abrogé, L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 6.**

Appointment of chief executive officer

12.1. (1) The Minister may appoint the chairperson or the president as chief executive officer of the Corporation.

12.1. (1) Le ministre peut nommer le président du conseil ou le président au poste de premier dirigeant de la Société.

Nomination du premier dirigeant

Duties

(2) The chief executive officer shall supervise, manage and direct the business of the Corporation in accordance with the direction of the Board. R.S.N.W.T. 1988,c.46(Supp.),s.7.

(2) Le premier dirigeant assume la gestion et la direction des affaires de la Société, en conformité avec les instructions du conseil. L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 7.

Attributions

Employees

13. The employees of the Corporation shall be employees of the public service as defined in the *Public Service Act*.

13. Le personnel de la Société fait partie de la fonction publique au sens de la *Loi sur la fonction publique*.

Personnel

Liability

14. (1) No proceedings lie against the president, a director, an employee or any person acting for or on behalf of the Corporation, the Board, the president or a director under this Act or the regulations for any act or omission that he or she, acting in good faith, reasonably believed was required or authorized by an enactment.

Immunité

14. (1) Le président, les administrateurs, les membres du personnel de la Société et toute autre personne agissant, sous le régime de la présente loi ou de ses règlements, pour la Société, le conseil, le président ou un administrateur, bénéficient de l'immunité à l'égard de tout acte ou omission qu'ils ont accompli ou commis de bonne foi et qu'ils croyaient raisonnablement requis ou autorisé par un texte.

Indemnity

(2) Notwithstanding the *Financial Administration Act*, the Corporation, with the approval of the Minister, may make an indemnity on behalf of a person referred to in subsection (1) for all claims, losses, costs, charges and expenses incurred by the person in proceedings to which the person is made a party by reason of holding a position with the Corporation or for any act or omission referred to in subsection (1).

Indemnisation

(2) Par dérogation à la *Loi sur la gestion des finances publiques*, la Société peut, avec l'approbation du ministre, indemniser une personne visée au paragraphe (1) à l'égard de toutes les demandes, pertes, coûts, charges et frais engagés par cette personne dans une instance à laquelle elle est partie en raison de sa qualité de responsable au sein de la Société ou pour un acte ou une omission visés au paragraphe (1).

Signing of indemnity

(3) The chairperson may execute a document evidencing an indemnity on behalf of the Corporation. R.S.N.W.T. 1988,c.46(Supp.),s.8.

Signature

(3) Le président du conseil peut signer un document constatant l'indemnisation effectuée pour le compte de la Société. L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 8.

Conflict of interest

15. The *Conflict of Interest Act* applies to the directors and the president.

Loi sur les conflits d'intérêts

15. La *Loi sur les conflits d'intérêts* s'applique aux administrateurs et au président.

Power of expropriation

16. The Corporation may expropriate any land that the Corporation considers necessary for the purpose of enhancing energy services in Nunavut, in accordance with the *Expropriation Act*. S.N.W.T. 1999,c.8, Sch.A,s.8(b).

Expropriation

16. La Société peut, en conformité avec la *Loi sur l'expropriation*, exproprier tout terrain qu'elle estime nécessaire à l'amélioration du service au Nunavut. L.T.N.-O. 1999, ch. 8, Ann. A, art. 8(2).

Supply of water and sewerage service

17. (1) The Corporation may supply water or sewerage service for a municipal corporation where the Corporation has been granted a franchise by the municipal corporation.

Service d'eau ou d'égout

17. (1) La Société peut fournir un service d'eau ou d'égout à une municipalité qui a accordé une franchise à la Société.

(2) **Repealed, R.S.N.W.T. 1988,c.46(Supp.), s.9; c.108(Supp.),s.3.**

(2) **Abrogé, L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 9; ch. 108 (Suppl.), art. 3.**

RATES AND RATE STRUCTURES

TARIFICATION ET STRUCTURE TARIFAIRE

Revenue requirements

17.1. The rate base, the rates, the rate structure and the revenue requirements of the Corporation shall be determined in accordance with this Act and the *Public Utilities Act*. R.S.N.W.T. 1988,c.46(Supp.), s.10; c.108(Supp.),s.4.

Besoins financiers

17.1. Le tarif de base, la tarification, la structure tarifaire et les besoins financiers de la Société sont déterminés en conformité avec la présente loi et la *Loi sur les entreprises de service public*. L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 10; ch. 108 (Suppl.), art. 4.

Rates

18. Subject to the *Public Utilities Act*, the Corporation may establish rates and terms and conditions for the supply of energy and water and sewerage services. R.S.N.W.T. 1988,c.46(Supp.), s.11; c.108(Supp.),s.5.

Tarification

18. Sous réserve de la *Loi sur les entreprises de service public*, la Société peut établir les tarifs et les modalités relatifs à la fourniture de l'énergie, du service d'eau ou d'égout. L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 11; ch. 108 (Suppl.), art. 5.

19. Repealed, R.S.N. W.T. 1988,c.46(Supp.),s.12; c.108(Supp.),s.6.

20. Repealed, R.S.N.W.T. 1988,c.108(Supp.),s.6.

Duties of Corporation

21. The Corporation shall

(a) prepare an annual operating budget of the Corporation;

(b) prepare an annual capital budget for the generation, transforming, transmission, distribution, delivery, sale and supply of energy in Nunavut;

(c) **Repealed, R.S.N.W.T. 1988,c.108 (Supp.),s.7.**

(d) prepare long-term generation and transmission plans and update those plans annually; and

(e) provide to the Minister any information requested by the Minister within the time specified. R.S.N.W.T. 1988,c.46(Supp.),s.13; c.108(Supp.),s.7; S.N.W.T. 1999,c.8,Sch.A,s.8(c).

Interruption of service

22. (1) Where a plant or any part of a plant malfunctions and the Corporation is unable to supply energy or where the Corporation is unable to supply water or sewerage service, the Corporation shall, with due regard for cost and circumstance,

(a) promptly make repairs; and

(b) pending repairs, take all reasonable steps to supply energy or water or sewerage service from other sources, if other sources are reasonably available.

Liability of Corporation

(2) The Corporation is not liable for any claim for financial loss or inconvenience caused to any person by reason of the failure to supply energy or water or sewerage service, where the Corporation acts in accordance with subsection (1).

FINANCIAL POWERS OF CORPORATION

Line of credit

23. Subject to the *Nunavut Act* and the *Financial Administration Act*, the Corporation may, for the purposes of the Corporation, borrow money by way of a line of credit. S.N.W.T. 1999,c.8,Sch.A,s.10.

Issuing of securities

24. The Corporation may, subject to Part IX of the *Financial Administration Act*,

(a) issue bonds, debentures or other securities of the Corporation for the purpose of borrowing money;

(b) determine the amount of a security referred

19. Abrogé, L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 12; ch. 108 (Suppl.), art. 6.

20. Abrogé, L.R.T.N.-O. 1988, ch. 108 (Suppl.), art. 6.

Obligations

21. La Société :

a) prépare un budget de fonctionnement annuel;

b) prépare un budget annuel des investissements pour la production, la transformation, la transmission, la distribution, la livraison, la vente et la fourniture d'énergie au Nunavut;

c) **Abrogé, L.R.T.N.-O. 1988, ch. 108 (Suppl.), art. 7.**

d) dresse des plans de production et de transmission à long terme et en assure une mise à jour annuelle;

e) remet au ministre, dans le délai imparti, les renseignements qu'il demande. L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 13; ch. 108 (Suppl.), art 7; L.T.N.-O. 1999, ch. 8, Ann. A, art. 8(2).

Interruption de service

22. (1) Si la Société ne peut fournir d'énergie en raison de problèmes de fonctionnement dans l'ensemble ou une partie d'une installation, ou si elle ne peut fournir un service d'eau et d'égout, elle doit, en tenant compte des frais et des circonstances :

a) procéder rapidement aux réparations;

b) prendre toutes les mesures voulues pour fournir, pendant les réparations, l'énergie ou le service d'eau et d'égout à partir d'autres sources raisonnablement accessibles.

Immunité

(2) La Société ne peut être tenue responsable des pertes financières ou des inconvénients subis en raison d'interruptions dans la fourniture d'énergie ou d'un service d'eau et d'égout, dès lors qu'elle agit en conformité avec le paragraphe (1).

POUVOIRS FINANCIERS DE LA SOCIÉTÉ

Marge de crédit

23. Sous réserve de la *Loi sur le Nunavut* et de la *Loi sur la gestion des finances publiques*, la Société peut, à ses fins, emprunter sur une marge de crédit.
L.T.N.-O. 1999, ch. 8, Ann. A, art. 10.

Émission de titres

24. Sous réserve de la partie IX de la *Loi sur la gestion des finances publiques*, la Société peut :

a) émettre des obligations, débentures ou autres titres d'emprunt;

b) fixer la valeur de ces titres et les droits, avantages et conditions qui s'y rattachent;

to in paragraph (a) to be issued and the rights, privileges and conditions of the security;

(c) sell, charge, pledge, mortgage or otherwise deal with any securities referred to in paragraph (a) as collateral securities; and

(d) secure any borrowing or liability of the Corporation by charge, pledge or mortgage of all or any currently owned or subsequently acquired real or personal property of the Corporation.

c) faire toute opération requise sur ces titres en tant que biens donnés en garantie, et notamment les vendre, les grever, les nantir ou les hypothéquer;

d) garantir ses emprunts ou ses dettes en grevant, nantissant ou hypothéquant tout ou partie de ses biens, mobiliers ou immobiliers, présents ou futurs.

Limit on borrowing

25. The amounts borrowed under sections 23 and 24 shall not exceed at any time three times the sum of the paid-up share capital of the Corporation plus the retained earnings. R.S.N.W.T. 1988,c.46(Supp.),s.14.

25. Les sommes empruntées au titre des articles 23 et 24 ne peuvent en aucun cas excéder trois fois la somme du capital social libéré de la Société, plus les bénéfices retenus. L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 14.

Plafond du pouvoir d'emprunt

Territorial guarantee

26. The Government of Nunavut may, notwithstanding the *Financial Administration Act*, guarantee repayment of principal and interest of any money borrowed by the Corporation and the principal of and interest on, and any premiums payable under any bonds, debentures or other securities issued by the Corporation. R.S.N.W.T. 1988,c.46(Supp.),s.15; S.N.W.T. 1999,c.8,Sch.A,s.7(b).

26. Le gouvernement du Nunavut peut, par dérogation à la *Loi sur la gestion des finances publiques*, garantir le remboursement du capital emprunté, intérêts compris, par la Société, et le capital, intérêts et primes compris, des obligations, débentures ou autres titres émis par la Société. L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 15; L.T.N.-O. 1999, ch. 8, Ann. A, art. 7b).

Garantie du gouvernement

Contribution

27. (1) The Government of Nunavut may make a contribution to the Corporation out of money appropriated for that purpose.

27. (1) Le gouvernement du Nunavut peut faire à la Société une contribution prélevée sur les crédits affectés à cette fin.

Contribution

Loans

(2) Notwithstanding section 58 of the *Financial Administration Act*, the Government of Nunavut may, from time to time, make a loan to the Corporation.

(2) Par dérogation à l'article 58 de la *Loi sur la gestion des finances publiques*, le gouvemement du Nunavut peut consentir des prêts à la Société.

Prêts

Investments

(3) Notwithstanding section 57 of the *Financial Administration Act*, the Government of Nunavut may, from time to time, invest in the Corporation. R.S.N.W.T. 1988,c.46(Supp.),s.16; S.N.W.T. 1999, c.8,Sch.A,s.7(b).

(3) Par dérogation à l'article 57 de la *Loi sur la gestion des finances publiques*, le gouvernement du Nunavut peut investir dans la Société. L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 16; L.T.N.-O. 1999, ch. 8, Ann. A, art. 7b).

Investissement

28. Repealed, R.S.N.W.T. 1988,c.46(Supp.),s.17; c.108(Supp.),s.8.

28. Abrogé, L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 17; ch. 108 (Suppl.), art. 8.

Dividends

29. (1) Subject to the *Public Utilities Act* and to the direction of the Executive Council, the Corporation shall, from time to time, declare dividends.

29. (1) Sous réserve de la *Loi sur les entreprises de service public* et des directives du Conseil exécutif, la Société peut déclarer un dividende.

Dividende

Application of dividends

(2) Notwithstanding the *Public Utilities Act*, the dividends on the common shares shall be applied to the subsidization of rates for energy or water or sewerage services and related administration costs. R.S.N.W.T. 1988,c.46(Supp.),s.18; c.108(Supp.),s.9.

(2) Par dérogation à la *Loi sur les entreprises de service public*, le dividende sur les actions ordinaires sert à subventionner les tarifs de l'énergie ou des services d'eau et d'égout, ainsi que des frais administratifs s'y rapportant. L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 18; ch. 108 (Suppl.), art. 9.

Affectation

Costs

30. The Corporation shall reimburse the Government of Nunavut for any cost that the Government incurred in

30. Si la Société et le gouvernement du Nunavut se sont entendus pour que des frais soient engagés à l'égard de la

Rembourse-ment

relation to the Corporation where the Corporation and the Government have previously agreed to the cost being incurred. R.S.N.W.T. 1988,c.46(Supp.), s.19; S.N.W.T. 1999,c.8,Sch.A,s.7(c).

Société, cette dernière peut rembourser ses frais au gouvernement. L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 19; L.T.N.-O. 1999, ch. 8, Ann. A, art. 7c). des frais

Accounts in financial institutions

31. (1) Notwithstanding the *Financial Administration Act*, the Corporation may maintain in its own name one or more accounts in one or more financial institutions.

31. (1) Par dérogation à la *Loi sur la gestion des finances publiques*, la Société peut tenir en son nom un ou plusieurs comptes dans un ou plusieurs établissements financiers. Comptes

Administration

(2) The Corporation shall administer any accounts established under subsection (1). R.S.N.W.T. 1988,c.46(Supp.),s.20.

(2) La Société administre les comptes tenus en application du paragraphe (1). L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 20. Administration

Investment of money

32. The Corporation may invest money

(a) in certificates of deposit, deposit receipts, notes or other evidences of indebtedness given by a bank in consideration of deposits made with the bank;

(b) in securities where repayment of principal and interest is unconditionally guaranteed by a bank;

(c) in an investment within the classes of investments enumerated in section 86 of the *Canadian and British Insurance Companies Act* (Canada); and

(d) notwithstanding the *Financial Administration Act*, in any other securities that are rated in the highest rating category by a recognized rating institution. R.S.N.W.T. 1988,c.46 (Supp.),s.21.

32. La Société peut investir :

a) dans des certificats de dépôt, récépissés de dépôt, billets ou autres titres de créance donnés par une banque en contrepartie des dépôts qui lui sont confiés;

b) dans des titres, si le remboursement du capital et des intérêts est garanti sans condition par une banque;

c) dans tout placement mentionné à l'article 86 de la *Loi sur les compagnies d'assurance canadiennes et britanniques* (Canada);

d) par dérogation à la *Loi sur la gestion des finances publiques*, dans tout autre titre coté dans la catégorie la plus élevée reconnue par une institution de cotation. L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 21. Placements

Investments in energy utilities

33. The Corporation may, subject to the approval of the Minister and the Minister of Finance, as defined in the *Financial Administration Act*, invest in shares, bonds, debentures or other securities of a corporation incorporated under an Act or an extra-territorial corporation registered under the *Business Corporations Act* for the purpose of carrying on the business of generating, transforming, transmitting, distributing, delivering, selling or supplying energy.
S.N.W.T. 1996,c.19,Sch.,s.9(3).

33. Sous réserve de l'agrément du ministre et du ministre des Finances, au sens de la *Loi sur la gestion des finances publiques*, la Société peut effectuer des placements dans des actions, obligations, débentures ou autres titres d'une personne morale constituée par une loi ou d'une compagnie extra-territoriale enregistrée en application de la *Loi sur les sociétés par actions* avec mission de se livrer à la production, à la transformation, à la transmission, à la distribution, à la livraison, à la vente ou à la fourniture d'énergie. L.T.N.-O. 1996, ch. 19, Ann., art. 9(3). Placements dans des entreprises d'énergie

Write-off

33.1. (1) Notwithstanding the *Financial Administration Act*, the Corporation may write off

(a) a debt or obligation owed to the Corporation where the debt or obligation does not exceed $20,000 and any other asset where the amount of the asset to be written off does not exceed $100,000; and

(b) with the approval of the Financial Management Board, any debt, obligation or asset that exceeds the amounts set out in

33.1. (1) Par dérogation à la *Loi sur la gestion des finances publiques*, la Société peut radier :

a) les créances ou obligations d'un montant maximal de 20 000 $ et tout autre élément d'actif dont la valeur ne dépasse pas 100 000 $;

b) avec l'approbation du Conseil de gestion financière, les créances, obligations ou éléments d'actif dont la valeur dépasse les montants indiqués à l'alinéa a). Radiation

paragraph (a).

Restriction

(2) The Corporation shall not write off an asset, a debt or an obligation unless it considers the asset, debt or obligation to be unusable, unrealizable or uncollectible. R.S.N.W.T. 1988,c.46(Supp.),s.22.

Limitations

(2) La Société ne peut radier un élément d'actif, une créance ou une obligation que si elle estime que l'élément d'actif, la créance ou l'obligation est inutilisable, irréalisable ou non recouvrable. L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 22.

Fiscal year

34. The fiscal year of the Corporation is the period beginning on April 1 in one year and ending on March 31 in the following year.

Exercice

34. L'exercice de la Société s'étend du 1er avril au 31 mars suivant.

Auditor

35. (1) The Auditor General is the auditor of the Corporation.

Vérificateur

35. (1) Le vérificateur général est le vérificateur de la Société.

Audit

(2) The accounts of the Corporation must be audited annually.

Vérification

(2) Les comptes de la Société sont vérifiés annuellement.

Annual report

(3) The Corporation shall, within three months after the end of each fiscal year, prepare a report on the preceding fiscal year in accordance with the *Financial Administration Act*.

Rapport annuel

(3) La Société prépare, dans les trois mois suivant la fin de chaque exercice, un rapport sur ses activités au cours de l'exercice en conformité avec la *Loi sur la gestion des finances publiques*.

Report of auditor

(4) The auditor shall report annually to the Minister and the Board on the results of the examination of the auditor of the accounts and financial statements of the Corporation and the report must state whether, in the opinion of the auditor,

(a) the financial statements present fairly the financial position at the end of the fiscal year and results of the operations and the changes in financial position for that year in accordance with generally accepted accounting principles applied on a basis consistent with that of the immediately preceding year,

(b) proper books of account have been kept and the financial statements are in agreement with the books of account, and

(c) the transactions that have come under the notice of the auditor are in accordance with

(i) this Act and the regulations,

(ii) the *Financial Administration Act* and any regulations made under it,

(iii) the by-laws of the Corporation, and

(iv) any directives issued to the Corporation pursuant to this Act or the *Financial Administration Act*,

and the auditor shall call attention to any other matter falling within the scope of the examination of the auditor that, in the opinion of the auditor, should be brought to the attention of the Legislative Assembly.

Rapport du vérificateur

(4) Le vérificateur présente annuellement au ministre et au conseil un rapport portant sur les résultats de la vérification des comptes et des états financiers de la Société et signale tout point relevant de sa compétence qu'il estime devoir être porté à la connaissance de l'Assemblée législative; le rapport indique, en outre, si, de l'avis du vérificateur :

a) les états financiers reflètent fidèlement la situation financière à la clôture de l'exercice, les résultats d'exploitation et l'évolution de la situation financière au cours de cet exercice, et ont été dressés en conformité avec les principes comptables généralement reconnus et appliqués de la même manière qu'au cours de l'exercice précédent;

b) les livres comptables ont été bien tenus et les états financiers correspondent aux livres;

c) les opérations portées à sa connaissance respectent :

(i) la présente loi et ses règlements,

(ii) la *Loi sur la gestion des finances publiques* et ses règlements,

(iii) les règlements administratifs de la Société,

(iv) les directives données à la Société en conformité avec la présente loi ou la *Loi sur la gestion des finances publiques*.

Powers of auditor

(5) The auditor may require the officers and employees of the Corporation

Pouvoirs du vérificateur

(5) Le vérificateur peut exiger que les dirigeants et les membres du personnel de la Société :

(a) to produce all records, documents, books, accounts and vouchers kept in respect of the administration of this Act; and
(b) to provide the information and explanations that the auditor considers necessary.

a) produisent tous livres, registres, comptes, pièces justificatives et documents tenus relativement à l'application de la présente loi;
b) fournissent les renseignements et explications qu'il estime nécessaires.

Submission of report

(6) The Corporation shall submit the annual report referred to in subsection (3) to the Minister within three months after the end of each fiscal year. R.S.N.W.T. 1988,c.46(Supp.),s.23.

(6) La Société remet au ministre le rapport annuel visé au paragraphe (3), dans les trois mois suivant la fin de l'exercice. L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 23.

Remise du rapport

Tabling of report

36. The Minister shall table before the Legislative Assembly a copy of the report referred to in subsection 35(3) at the first session of the Legislative Assembly following the receipt of the report by the Minister.

36. Le ministre dépose devant l'Assemblée législative le texte du rapport visé au paragraphe 35(3), à la première session de l'Assemblée suivant sa réception.

Dépôt du rapport

MISCELLANEOUS

DISPOSITIONS DIVERSES

37. Repealed, R.S.N.W.T. 1988,c.108(Supp.), s.10.

37. Abrogé, L.R.T.N.-O. 1988, ch. 108 (Suppl.), art. 10.

Definition of "improvements"

38. (1) In this section, "improvements" means a building fixed to land but does not include land, mobile units, pipelines, works and transmission lines, railways, personal property, fixtures, machinery, equipment, appliances or anything that is portable.

38. (1) Au présent article, «amélioration» s'entend d'un bâtiment fixé à un bien-fonds, à l'exclusion du bien-fonds, des unités mobiles, pipelines, ouvrages et lignes de transmission, chemins de fer, biens meubles, objets fixés à demeure, machines, équipements, appareils ou objets portables.

Définition de «amélioration»

Exemption from taxation

(2) Subject to subsections (3) and (4), the property of the Corporation is exempt from taxation.

(2) Sous réserve des paragraphes (3) et (4), les biens de la Société ne sont pas imposables.

Exemption

Grants

(3) The Corporation shall pay a grant in an amount equal to the property taxes on assessed lands and improvements of the Corporation to a municipal taxing authority or to the Government of Nunavut, if the land and improvements are in a general taxation area, as defined in the *Property Assessment and Taxation Act*.

(3) La Société verse une redevance, dont le montant est égal aux impôts fonciers sur ses biens-fonds et améliorations évalués, à une adminstration fiscale municipale ou au gouvernement du Nunavut, si le bien-fonds et les améliorations se trouvent dans une zone d'imposition générale au sens de la *Loi sur l'évaluation et l'impôt fonciers*.

Redevances

Petroleum products tax

(4) The Corporation is liable for the payment of taxes imposed under the *Petroleum Products Tax Act*. R.S.N.W.T. 1988,c.46(Supp.),s.24; c.66(Supp.),s.1; S.N.W.T. 1999,c.8,Sch.A,s.7(d).

(4) La Société est tenue au paiement des taxes prélevées au titre de la *Loi de la taxe sur les produits pétroliers*. L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 24; ch. 66 (Suppl.), art. 1; L.T.N.-O. 1999, ch. 8, Ann. A, art. 7d).

Taxes sur les produits pétroliers

(5) **Repealed, S.N.W.T. 1999,c.7,s.3.**

(5) **Abrogé, L.T.N.-O. 1999, ch. 7, art. 3.**

39. R.S.N.W.T. 1988,c.46(Supp.),s.25; c.108(Supp.),s.11; S.N.W.T. 1996,c.19,Sch.,s.9(4); S.N.W.T. 1999,c.7,s.4; **Repealed, S.N.W.T. 1999,c.8,Sch.A, s.11.**

39. L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 25; ch. 108 (Suppl.), art. 11; L.T.N.-O. 1996, ch. 19, Ann., art. 9(4); L.T.N.-O. 1999, ch. 7, art. 4; **Abrogé, L.T.N.-O. 1999, ch. 8, Ann. A, art. 11.**

PART II

NORTHWEST TERRITORIES POWER

PARTIE II

SOCIÉTÉ D'ÉNERGIE DES

Definition of "Power Corporation"

40. In this Part, "Power Corporation" means the Northwest Territories Power Corporation established by the *Northwest Territories Power Corporation Act* (Northwest Territories). R.S.N.W.T. 1988,c.108 (Supp.),s.12; S.N.W.T. 1999,c.7,s.5; S.N.W.T. 1999, c.8,Sch.A,s.12.

Définition de «Société d'énergie»

40. Dans la présente partie, «Société d'énergie» s'entend de la Société d'énergie des Territoires du Nord-Ouest constituée en vertu de la *Loi sur la Société d'énergie* (Territoires du Nord-Ouest). L.R.T.N.-O. 1988, ch. 108 (Suppl.), art. 12; L.T.N.-O. 1999, ch. 7, art. 5; L.T.N.-O. 1999, ch. 8, Ann. A, art. 12.

Agreements

41. (1) The Minister, on behalf of the Government of Nunavut, may enter into agreements with the Government of the Northwest Territories

(a) establishing terms and conditions under which the Power Corporation may carry on its business, conduct its affairs and exercise its powers in Nunavut with respect to the provision of services in Nunavut and the fulfilment of such objects of the Power Corporation as relate to Nunavut; and

(b) providing for the division of the assets and liabilities of the Power Corporation.

Ententes

41. (1) Au nom du gouvernement du Nunavut, le ministre peut conclure des ententes avec le gouvernement des Territoires du Nord-Ouest :

a) précisant les conditions en vertu desquelles la Société d'énergie peut conduire ses affaires internes et exercer son activité commerciale et ses pouvoirs au Nunavut relativement aux services à y offrir et aux autres objectifs de la Société qui visent le Nunavut;

b) prévoyant la division de l'actif et du passif de la Société d'énergie.

Amendment or replacement of agreement entered into by Interim Commissioner

(2) An agreement made under subsection (1) may amend or replace an agreement entered into between the Interim Commissioner of Nunavut and the Government of the Northwest Territories for the same purposes. S.N.W.T. 1999,c.7,s.5; S.N.W.T. 1999,c.8,Sch.A,s.12.

Modification ou remplacement de l'entente conclue par le commissaire provisoire

(2) Toute entente conclue en vertu du paragraphe (1) peut modifier ou remplacer une entente ayant les mêmes objets intervenue entre le commissaire provisoire du Nunavut et le gouvernement des Territoires du Nord-Ouest. L.T.N.-O. 1999, ch. 7, art. 5; L.T.N.-O. 1999, ch. 8, Ann. A, art. 12.

Capacity of Power Corporation to operate in Nunavut

42. The Power Corporation may carry on its business, conduct its affairs and exercise its powers in Nunavut. S.N.W.T. 1999,c.7,s.5; S.N.W.T. 1999,c.8,Sch.A, s.12.

Opérations au Nunavut

42. La Société d'énergie peut conduire ses affaires internes et exercer son activité commerciale et ses pouvoirs au Nunavut. L.T.N.-O. 1999, ch. 7, art. 5; L.T.N.-O. 1999, ch. 8, Ann. A, art. 12.

Application of *Public Utilities Act*

43. (1) Except as otherwise provided, the *Public Utilities Act* applies to the Power Corporation.

Loi sur les entreprises de service public

43. (1) Sauf disposition contraire, la *Loi sur les entreprises de service public* s'applique à la Société d'énergie.

Business Corporations Act does not apply

(2) The *Business Corporations Act* does not apply to the Power Corporation.

Loi sur les sociétés par actions

(2) La *Loi sur les sociétés par actions* ne s'applique pas à la Société d'énergie.

Electrical Protection Act does not apply

(3) The *Electrical Protection Act* does not apply to the Power Corporation. R.S.N.W.T. 1988, c.46(Supp.),s.26; c.108(Supp.),s.13; S.N.W.T. 1999, c.7,s.5; S.N.W.T. 1999,c.8,Sch.A, s.12.

Loi sur la protection contre les dangers de l'électricité

(3) La *Loi sur la protection contre les dangers de l'électricité* ne s'applique pas à la Société d'énergie. L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 26; ch. 108 (Suppl.), art. 13; L.T.N.-O. 1999, ch. 7, art. 5; L.T.N.-O. 1999, ch. 8, Ann. A, art. 12.

Liability

44. No proceedings lie against the president, a director, an employee or any person acting for or on behalf of the Power Corporation, the Board of Directors, the president or a director under this Act or the regulations for any action taken or omission made that he or she, acting in good faith,

Immunité

44. Le président, les administrateurs, les membres du personnel de la Société et toute autre personne agissant, sous le régime de la présente loi ou de ses règlements, pour la Société, le conseil, le président ou un administrateur, bénéficient de l'immunité à l'égard de tout

reasonably believed was required or authorized by an enactment.
R.S.N.W.T. 1988,c.46(Supp.),s.27; S.N.W.T. 1999,c.7,s.5; S.N.W.T. 1999,c.8,Sch.A,s.12.

acte ou omission qu'ils ont accompli ou commis de bonne foi et qu'ils croyaient raisonnablement requis ou autorisé par un texte.
L.R.T.N.-O. 1988, ch. 46 (Suppl.), art. 27; L.T.N.-O. 1999, ch. 7, art. 5; L.T.N.-O. 1999, ch. 8, Ann. A, art. 12.

Power of expropriation

45. The Power Corporation may expropriate any land that the Power Corporation considers necessary for the purpose of enhancing energy services in Nunavut, in accordance with the *Expropriation Act*. S.N.W.T. 1999,c.7,s.5; S.N.W.T. 1999,c.8,Sch.A,s.12.

Expropriation

45. La Société d'énergie peut, en conformité avec la *Loi sur l'expropriation*, exproprier tout terrain qu'elle estime nécessaire à l'amélioration du service au Nunavut. L.T.N.-O. 1999, ch. 7, art. 5; L.T.N.-O. 1999, ch. 8, Ann. A, art. 12.

Supply of water and sewage service

46. The Power Corporation may supply water or sewerage service for a municipal corporation where the Power Corporation has been granted a franchise by the municipal corporation. S.N.W.T. 1999,c.8, Sch.A,s.12.

Service d'eau et d'égout

46. La Société d'énergie peut fournir le service d'eau et d'égout à une municipalité qui a accordé une franchise à la Société. L.T.N.-O. 1999, ch. 8, Ann. A, art. 12.

Revenue requirements

47. The rate base, the rates, the rate structure and the revenue requirements of the Power Corporation shall be determined in accordance with this Act, the *Public Utilities Act*, the *Northwest Territories Power Corporation Act* (Northwest Territories) and the *Public Utilities Act* (Northwest Territories).
S.N.W.T. 1999,c.8,Sch.A,s.12.

Besoins financiers

47. Le tarif de base, la tarification, la structure tarifaire et les besoins financiers de la Société d'énergie sont déterminés en conformité avec la présente loi, la *Loi sur les entreprises de service public*, la *Loi sur la Société d'énergie des Territoires du Nord-Ouest* (Territoires du Nord-Ouest) et la *Loi sur les entreprises de service public* (Territoires du Nord-Ouest). L.T.N.-O. 1999, ch. 8, Ann. A, art. 12.

Rates

48. Subject to the *Public Utilities Act* and the *Public Utilities Act* (Northwest Territories), the Power Corporation may establish rates and terms and conditions for the supply of energy and water and sewerage services.
S.N.W.T. 1999,c.8,Sch.A,s.12.

Tarification

48. Sous réserve de la *Loi sur les entreprises de service public* (Territoires du Nord-Ouest), la Société d'énergie peut établir les tarifs et les modalités relatifs à la fourniture de l'énergie et du service d'eau et d'égout. L.T.N.-O. 1999, ch. 8, Ann. A, art. 12.

Interruption of service

49. (1) Where a plant or any part of a plant malfunctions and the Power Corporation is unable to supply energy or where the Power Corporation is unable to supply water or sewerage service, the Power Corporation shall, with due regard for cost and circumstance,

(a) promptly make repairs; and

(b) pending repairs, take all reasonable steps to supply energy or water or sewerage service from other sources, if other sources are reasonably available.

Interruption de service

49. (1) Si la Société d'énergie ne peut fournir d'énergie en raison de problèmes de fonctionnement dans l'ensemble ou une partie d'une installation, ou si elle ne peut fournir un service d'eau ou d'égout, elle doit, en tenant compte des coûts et des circonstances :

a) procéder rapidement aux réparations;

b) prendre toutes les mesures voulues pour fournir, pendant les réparations, l'énergie ou le service d'eau ou d'égout à partir d'autres sources raisonnablement accessibles.

Liability of Power Corporation

(2) The Power Corporation is not liable for any claim for financial loss or inconvenience caused to any person by reason of the failure to supply energy or water or sewerage service, where the Power Corporation acts in accordance with subsection (1).
S.N.W.T. 1999,c.8,Sch.A,s.12.

Immunité

(2) Si elle agit en conformité avec le paragraphe (1), la Société d'énergie ne peut être tenue responsable des pertes financières ou des inconvénients subis en raison d'interruption dans la fourniture d'énergie ou du service d'eau ou d'égout.
L.T.N.-O. 1999, ch. 8, Ann. A, art. 12.

Government guarantee

50. (1) The Government of Nunavut may, notwithstanding the *Financial Administration Act*, guarantee repayment of principal and interest of any money borrowed by the Power Corporation and the

Garantie du gouvernement

50. (1) Le gouvernement du Nunavut peut, par dérogation à la *Loi sur la gestion des finances publiques*, garantir le remboursement du capital emprunté, intérêts compris, par la Société d'énergie, et le

principal of and interest on, and any premiums payable under any bonds, debentures or other securities issued by the Power Corporation.

capital, intérêts et primes compris, des obligations, débentures ou autres titres émis par la Société d'énergie.

Contribution

(2) The Government of Nunavut may make a contribution to the Power Corporation out of money appropriated for that purpose.

(2) Le gouvernement du Nunavut peut faire à la Société d'énergie une contribution prélevée sur les crédits affectés à cette fin.

Contribution

Loans

(3) Notwithstanding section 58 of the *Financial Administration Act*, the Government of Nunavut may, from time to time, make a loan to the Power Corporation.

(3) Malgré l'article 58 de la *Loi sur la gestion des finances publiques*, le gouvernement du Nunavut peut consentir des prêts à la Société d'énergie.

Prêts

Investments

(4) Notwithstanding section 57 of the *Financial Administration Act*, the Government of Nunavut may, from time to time, invest in the Power Corporation. S.N.W.T. 1999,c.8,Sch.A,s.12.

(4) Malgré l'article 57 de la *Loi sur la gestion des finances publiques*, le gouvernement du Nunavut peut investir dans la Société d'énergie. L.T.N.-O. 1999, ch. 8, Ann. A, art. 12.

Investissement

Application of dividends

51. Notwithstanding the *Public Utilities Act*, where the Power Corporation declares dividends under subsection 29(1) of the *Northwest Territories Power Corporation Act* (Northwest Territories), the dividends on the common shares received by the Government of Nunavut shall be applied to the subsidization of rates for energy or water or sewerage services and related administration costs. S.N.W.T. 1999,c.8,Sch.A,s.12.

51. Par dérogation à la *Loi sur les entreprises de service public*, lorsque la Société d'énergie déclare un dividende en vertu du paragraphe 29(1) de la *Loi sur la Société d'énergie des Territoires du Nord-Ouest* (Territoires du Nord-Ouest), le dividende sur les actions ordinaires sert à subventionner les tarifs de l'énergie ou des services d'eau ou d'égout, ainsi que les frais administratifs s'y rapportant. L.T.N.-O. 1999, ch. 8, Ann. A, art. 12.

Affectation du dividende reçu par le gouvernement du Nunavut

Definition of "improvements"

52. (1) In this section, "improvements" means a building fixed to land but does not include land, mobile units, pipelines, works and transmission lines, railways, personal property, fixtures, machinery, equipment, appliances or anything that is portable.

52. (1) Au présent article, «amélioration» s'entend d'un bâtiment fixé à un bien-fonds, à l'exclusion du bien-fonds, des unités mobiles, pipelines, ouvrages et lignes de transmission, chemins de fer, biens meubles, objets fixés à demeure, machines, équipements, appareils ou objets portables.

Définition de «amélioration»

Exemption from taxation

(2) Subject to subsections (3) and (4), the property of the Power Corporation is exempt from taxation.

(2) Sous réserve des paragraphes (3) et (4), les biens de la Société d'énergie ne sont pas imposables.

Exemption

Grants

(3) The Power Corporation shall pay a grant in an amount equal to the property taxes on assessed lands and improvements of the Power Corporation to a municipal taxing authority or to the Government of Nunavut, if the land and improvements are in a general taxation area, as defined in the *Property Assessment and Taxation Act*.

(3) La Société d'énergie verse une redevance, dont le montant est égal aux impôts fonciers sur ses biens-fonds et améliorations évalués, à une administration fiscale municipale ou au gouvernement du Nunavut, si le bien-fonds et les améliorations se trouvent dans une zone d'imposition générale au sens de la *Loi sur l'évaluation et l'impôt fonciers*.

Redevances

Petroleum products tax

(4) The Power Corporation is liable for the payment of taxes imposed under the *Petroleum Products Tax Act*. S.N.W.T. 1999,c.8,Sch.A,s.12.

(4) La Société d'énergie est tenue au paiement des taxes prélevées au titre de la *Loi de la taxe sur les produits pétroliers*. L.T.N.-O. 1999, ch. 8, Ann. A, art. 12.

Taxe sur les produits pétroliers

REPEAL

ABROGATION

Repeal

53. This Part is repealed on a day to be fixed by order of the Commissioner. S.N.W.T. 1999,c.8,Sch.A,s.12.

53. La présente partie est abrogée le jour établi par décret du commissaire. L.T.N.-O. 1999, ch. 8, Ann. A, art. 12.

Abrogation

PART III

PARTIE III

Regulations

54. The Commissioner, on the recommendation of the Minister, may make regulations

(a) prescribing the provisions of the *Business Corporations Act* that apply to the Nunavut Power Corporation; and

(b) as may be necessary for carrying out the provisions of the Act. S.N.W.T. 1999, c.8,Sch.A,s.12.

Règlements

54. Sur recommandation du ministre, le commissaire peut, par règlement :

a) préciser les dispositions de la *Loi sur les sociétés par actions* qui s'appliquent à la Société d'énergie du Nunavut;

b) prendre toute autre mesure d'application de la présente loi. L.T.N.-O. 1999, ch. 8, Ann. A, art. 12.

AN ACT TO FACILITATE THE TRANSFER OF EMPLOYEES FROM THE NORTHWEST TERRITORIES POWER CORPORATION TO THE NUNAVUT POWER CORPORATION

(Assented to November 03, 2000)

The Commissioner of Nunavut, by and with the advice and consent of the Legislative Assembly, enacts as follows:

1. The *Nunavut Power Utilities Act* is amended by adding the following section after section 13:

Former NTPC employees

13.1 (1) Every employee of the Northwest Territories Power Corporation who, on March 31, 2001, was employed in a position located in Nunavut and at the end of that day ceased to be employed in the public service of the Northwest Territories by the operation of legislation of the Northwest Territories, is an employee of the Corporation and is subject to the same terms of employment as had previously applied.

Employment deemed continuous

(2) For greater certainty, the employment of an employee mentioned in subsection (1) is deemed to have been continuous, and any period of employment in the public service as defined in the *Public Service Act* (Northwest Territories) is deemed to have been employment in the public service as defined in the *Public Service Act*.

Collective agreement continued

(3) The terms of any collective agreement that was in force on March 31, 2001 and that was entered into between the Minister responsible for the public service of the Northwest Territories and the employees' association representing any employees mentioned in subsection (1) are continued for the duration of the collective agreement

(a) with the substitution of the Minister responsible for the public service of Nunavut for the Minister responsible for the public service of the Northwest Territories,

(b) with the substitution of the employees' association responsible for representing employees of the Corporation under section 41 of the *Public Service Act* for the employees' association, and

(c) with any other modifications that the circumstances require.

Contracts of employment continued

(4) The terms of any contract of employment or other agreement that was in force on March 31, 2001 and that was entered into between an employee mentioned in subsection (1) and either the Minister responsible for the public service of the Northwest Territories or the Northwest Territories Power Corporation are continued for the duration of the contract or agreement

(a) with the substitution of the Minister responsible for the public service of Nunavut for the Minister responsible for the public service of the Northwest Territories,

(b) with the substitution of the Corporation for the Northwest Territories Power Corporation, and

(c) with any other modifications that the circumstances require.

Application of this section

(5) This section applies notwithstanding anything to the contrary in any other Act or law or in any collective agreement, memorandum of understanding, contract of employment or other agreement.

2. This Act comes into force on April 1, 2001.

UTILITY RATES REVIEW COUNCIL ACT

(Assented to March 29, 2001)

The Commissioner of Nunavut, by and with the advice and consent of the Legislative Assembly, enacts as follows:

INTERPRETATION

Definitions

1. In this Act,

"designated utility" means a utility or a member of class of utilities designated in the regulations; *(entreprise de service désignée)*

"Minister for the Review Council" means a member of the Executive Council who is designated by the Commissioner on the advice of the Premier as being responsible for the administration of this Act; *(ministre responsable du Conseil d'examen)*

"rate" means a price, toll or charge that applies to goods or services provided by a utility; *(taux)*

"rate structure" means the rate zones of a utility, classes of customers of a utility, the classes of service provided by a utility, and the rules respecting the allocation of the revenue requirements among the rate zones, classes of customers and classes of service; *(structure tarifaire)*

"responsible Minister" means the member of the Executive Council who is responsible for a utility; *(ministre responsable)*

"Review Council" means the Utility Rates Review Council established by section 2; *(Conseil d'examen)*

"tariff" means a document that sets out

(a) rates and rate structures, and

(b) applicable terms and conditions; *(tarif)*

"utility" means any of the following that provides goods or services to the public:

(a) a corporation that is owned or controlled by the Government of Nunavut, and to which this Act applies either by legislation or a regulation made under paragraph 20(1)(a);

(b) a department or administrative division of the Government of Nunavut to which this Act applies either by legislation or a regulation made under paragraph 20(1)(a);

(c) a person or organization not mentioned in paragraph (a) or (b) to which this Act applies either by legislation or a regulation made under paragraph 20(1)(a). *(entreprise de service)*

REVIEW COUNCIL – GENERAL PROVISIONS

Review Council established

2. The Utility Rates Review Council is established.

Membership

3. (1) The Review Council consists of three members, in addition to any temporary members appointed under subsection (3).

Appointments

(2) The Minister for the Review Council shall appoint the members of the Review Council for terms of not more than three years.

Temporary members

(3) The Minister for the Review Council may appoint no more than two temporary members of the Review Council for the purpose of dealing with a particular matter before the Review Council, and may specify the terms of office and duties of the temporary members in the appointment.

Not members of Public Service

(4) Members and temporary members of the Review Council may not be members of the public service.

Re-appointments

(5) Members of the Review Council may be re-appointed.

Continuation in office

(6) A member of the Review Council, other than a temporary member, whose term of office has expired continues to be a member of the Review Council until he or she is re-appointed, or until a new member is appointed to replace him or her.

Honoraria

(7) Members and temporary members of the Review Council are entitled to be paid honoraria at the rates established by the Financial Management Board for members of boards.

Expenses

(8) All members and temporary members of the Review Council are entitled to be reimbursed for their reasonable expenses in accordance with the rates established by the Financial Management Board for members of boards.

Secretary

(9) The Minister for the Review Council shall appoint a Secretary to the Review Council, who shall keep a record of all proceedings of the Review Council, and have custody of all of its records and documents.

Chairperson

4. The Minister for the Review Council shall designate a member of the Review Council to be chairperson.

Quorum

5. Two members of the Review Council constitute a quorum.

Procedures and practices

6. (1) Subject to subsection (2), the Review Council shall determine its own procedures and practices.

Guidelines

(2) The Minister for the Review Council may issue guidelines concerning the procedures and practices of the Review Council, and the Review Council shall comply with those guidelines.

Principles

(3) The Minister for the Review Council, with the approval of the Executive Council, may issue guidelines concerning the principles the Review Council shall have regard to when determining whether rates and tariffs are fair and reasonable, and the Review Council shall comply with those guidelines.

Tabling in the Assembly

(4) The Minister for the Review Council shall

(a) make reasonable efforts to publicize any guidelines made under this section and any amendments to the guidelines; and

(b) table any guidelines made under this section, and any amendments to the guidelines, in the Legislative Assembly during the first sitting of the Legislative Assembly after the making of the guidelines or amendments.

PURPOSE AND POWERS OF REVIEW COUNCIL

Purposes of Review Council

7. The purposes of the Review Council are to

(a) advise the responsible Minister of a designated utility concerning the imposition of rates and tariffs in accordance with sections 11 to 18,

(b) advise the responsible Minister of a utility other than a designated utility with regard to any questions that the responsible Minister refers to it concerning rates, tariffs and rate structures,

(c) advise the responsible Minister for any utility concerning any matter related to the utility that is referred to it by the responsible Minister on the advice of the Executive Council,

(d) advise any Minister concerning any matter related to charges for the provision of goods and services that is referred to it by the Minister on the advice of the Executive Council,

(e) advise the Minister responsible for the *Nunavut Power Utilities Act* concerning applications under section 18.1 of that Act.

Powers of Review Council

8. (1) In carrying out its purposes, the Review Council may

(a) hold public and private meetings,

(b) retain the services of experts and advisors,

(c) solicit advice from the public,

(d) conduct meetings and mediations with utilities and concerned parties, and assist utilities and their customers in developing a consensus on contentious issues,

(e) require utilities and their employees to provide all information that is needed to carry out its purposes, and may require that information to be provided under oath, or by way of solemn declaration,

(f) generally, engage in activities that assist it in providing informed advice to the responsible Minister**.**

Annual report

(2) The Review Council shall by March 31 in each year forward to the Minister for the Review Council a report showing its activities for the previous year, and the Minister for the Review Council shall lay the report before the Legislative Assembly as soon as reasonably possible.

Protection from liability

9. No proceeding may be commenced in any court against the Review Council, any member or temporary member of the Review Council, or any person acting under the direction of the Review Council or on the behalf of the Review Council, for anything done or not done in good faith in compliance or in purported compliance with this Act.

Funding of Review Council

10. The expenditures of the Review Council must be made from money appropriated by the Legislature for the purpose.

PROPOSED RATES AND TARIFFS

Imposition of rates and tariffs

11. (1) Subject to any regulations made under paragraph 20(1)(c) no designated utility may impose a rate or tariff except where an instruction is given under section 16.

Transitional

(2) Subsection (1) does not apply to a rate or tariff that was in place at the time that the designated utility became a designated utility.

Changes

(3) For greater certainty, for the purposes of this Act an amendment to an existing rate or tariff is deemed to be the imposition of a rate or tariff.

Request for approval

12. (1) A designated utility that desires to impose a rate or tariff shall request in writing the approval of the responsible Minister.

Minister to seek advice

(2) Within 15 days of receiving a request under subsection (1), the responsible Minister shall seek the advice of the Review Council.

Notice to elected officials

(3) The responsible Minister shall give reasonable notice of a request for advice under subsection (2) to mayors and members of the Legislative Assembly who represent a municipality or constituency where the residents, in his or her opinion, are likely to be affected by the rate or tariff.

Report

13. (1) The Review Council, within 90 days of receiving the responsible Minister's request for advice under section 12, shall report to the responsible Minister its recommendation that:

(a) the imposition of the proposed rate or tariff should be allowed,

(b) the imposition of the proposed rate or tariff should not be allowed, or

(c) another rate or tariff specified by the Review Council should be imposed.

Relevant factors

(2) In making its report, the Review Council shall have regard to whether the proposed rate or tariff is fair and reasonable, considering

(a) the cost of providing the service, including related financing costs, and

(b) any other factors set out in guidelines issued under section 6.

Final report

(3) Within 30 days of receiving a report made under subsection (1), the responsible Minister, if he or she thinks it appropriate to do so, may request in writing that the Review Council make a final report, within a time stipulated by the responsible Minister.

Contents of final report

(4) Where the responsible Minister has made a request under subsection (3), the Review Council shall reconsider its report, and shall make a final report that may:

(a) make the same recommendation as in its initial report; or

(b) any other recommendation that may be made under subsection (1).

Where no request

(5) Where the responsible Minister does not make a request under subsection (3), the report of the Review Council delivered under subsection (1) shall be its final report.

Where no report

(6) Where the Review Council does not make a report in the time mentioned in subsection (1), or a final report in a time stipulated under subsection (3), it shall be deemed to have made a report to the responsible Minister recommending that the imposition of the proposed rate or tariff be allowed.

Copy to utility

14. The Review Council shall deliver to the designated utility a copy of every final report it makes to the responsible Minister, and shall provide copies to mayors and members of the Legislative Assembly mentioned in subsection 12(3) and other interested parties on request.

Minister to consider

15. (1) The responsible Minister shall give careful consideration to every report made by the Review Council, but is not bound by it.

Reasons

(2) Where, after seeking the advice of the Executive Council referred to in subsection 16(1), the responsible Minister decides not to instruct the designated utility under subsection 16(1) to comply with the recommendation of the Review Council contained in its report, the Minister shall provide the Review Council with his or her reasons in writing for not instructing the designated utility to comply with the

recommendation at the same time that the Minister instructs the designated utility under subsection 16(1).

Minister's decision

16. (1) Within 30 days of receiving the Review Council's report, or if a final report has been requested under subsection 13(3), within 30 days of receiving the final report, the responsible Minister, after seeking the advice of the Executive Council, may instruct the designated utility to

(a) proceed with the imposition of the rate or tariff;

(b) not proceed with the imposition of the rate or tariff; or

(c) proceed with the imposition of another rate or tariff recommended by the Review Council in its report.

New review

(2) When giving an instruction under paragraph 1(b), the responsible Minister may specify a time within which the utility may make a new request for the approval of the rate or tariff.

Deemed instruction

(3) Where the responsible Minister has not acted within the time provided for in subsection (1), the Minister shall be deemed to have instructed the designated utility to comply with the recommendation of the Review Council.

Utility to comply

17. The designated utility shall comply with any instruction given under section 16.

Notice to public

18. (1) The designated utility shall take reasonable measures to notify the public of any instruction given under section 16.

Information to be available

(2) The Minister for the Review Council shall ensure that there is kept at an office in Nunavut copies of every request made under section 12, every final report delivered under section 14, every reason provided by a responsible Minister to the Review Council under subsection 15(2), and every instruction given under section 16, and that those copies are reasonably available to members of the public.

Variation of time

19. The responsible Minister may, after giving notice to the designated utility and the Review Council, extend any time mentioned in sections 11 through 18.

REGULATIONS

Regulations
20. (1) The Minister for the Review Council, with the approval of the Executive Council, may make regulations:

(a) providing for utilities or classes of utilities to which this Act applies;
(b) designating utilities or classes of utilities for the purposes of this Act;
(c) permitting the interim imposition, where special circumstances exist, of rates and tariffs for designated utilities until an instruction is given under section 16, subject to any terms set out in the regulations;
(d) defining terms used in this Act but not defined in this Act.

Notice
(2) A regulation may not be made under paragraph (1)(a) unless at least 30 days notice of the proposed regulation has been given in the *Nunavut Gazette.*

CONSEQUENTIAL AND OTHER AMENDMENTS

***Nunavut Power Utilities Act* amended**
21. (1) The *Nunavut Power Utilities Act* is amended by this section.

(2) Section 1.1 is amended by striking out "the *Public Utilities Act* or any other enactment **" and substituting "**any other enactment**".**

(3) Section 3 is repealed and the following substituted:

Utility Rates Review Council Act
3. Except as otherwise provided, the *Utility Rates Review Council Act* applies to the Corporation.

(4) The following section is added after section 5:

Exclusive supplier retail power
5.1 (1) No person, other than the Corporation, may engage in the retail supply of power in Nunavut except under the authority of an exemption granted by the Minister.

Conditions on exemption
(2) An exemption granted under subsection (1):

(a) is valid for a period of time set out in the instrument of exemption, but may be renewed;

(b) does not imply that the Minister or the Corporation has any responsibility for anything done by the person to whom the exemption is granted; and

(c) shall only be granted where, in the opinion of the Minister, to do so does not significantly detract from the role of the Corporation.

Definitions

(3) In this section:

"power" means electrical power, however generated, including electrical energy; *(énergie)*

"retail supply of power" means an arrangement, transaction or series of transactions which, in form or in substance, constitutes the sale or supply of power to the end user of the power. *(fourniture d'énergie au détail)*

(5) The following sections are added after section 16:

Joint use of public area

16.1. (1) The Minister may make an order where the Minister is satisfied that:

(a) the Corporation has the right to enter a municipality or settlement to place its equipment on, along, across, over or under any public area owned by the municipal or settlement corporation; or

(b) the Corporation cannot extend its system, line or apparatus between two places where it is authorized to operate without

(i) placing its distribution equipment on, along, across, over or under a public area owned by a municipal or settlement corporation, or

(ii) making unreasonable expenditures, and

(c) the Corporation cannot agree with the municipal or settlement council on the use of the public area or on the terms of use.

Terms of order

(2) An order made under subsection (1) may

(a) require the municipal or settlement council to allow the Corporation to use the public area, where this can be done without unduly preventing other persons from using the public area, and

(b) fix the terms of use by the Corporation, or provide for a method of fixing the terms of use.

Joint use of equipment

16.2. (1)The Minister may make an order where the Minister is satisfied that:

(a) public convenience or necessity requires that the Corporation use equipment owned by another person;

(b) the use will not prevent the owner or other users from performing their duties or result in any substantial detriment to their service; and

(c) the Corporation cannot agree with the owner on the use of the equipment or on the terms of use.

Terms of order

(2) An order made under subsection (1) may:

(a) require the owner to allow the Corporation to use the equipment;

(b) fix the terms of use by the Corporation or provide for a method of fixing the terms of use.

(6) Section 17.1 is repealed.

(7) Section 18 is amended by striking out "Subject to the *Public Utilities Act***" and substituting "**Subject to the *Utility Rates Review Council Act* **".**

(8) The following section is added after section 18:

Major capital projects

18.1 (1) The Corporation shall apply to the Minister for permission before undertaking a major capital project.

Minister seek advice

(2) Before responding to an application for permission made under subsection (1), the Minister may seek the advice of the Utility Rates Review Council established under the *Utility Rates Review Council Act*.

Corporation to provide information

(3) The Corporation shall provide the Minister and the Utility Rates Review Council with any information necessary to decide whether permission should be granted.

What Minister may do

(4) The Minister may

(a) grant permission for undertaking the major capital project, with or without conditions, or

(b) refuse permission.

Definition
(5) In this section, **"major capital project"** means a capital project that has a total cost that exceeds $5,000,000.

(9) Section 21 is amended by adding the following paragraph after paragraph (b):

(b.1) prepare an annual rates and subsidies forecast setting out the rate base, the rates, the rate structure and the revenues requirements of the Corporation, including any resulting subsidy needs.

(10) Subsection 29(1) is amended by striking out "to the *Public Utilities Act* and**".**

(11) Subsection 29(2) is repealed.

(12) Section 53 is amended by adding "or any section of this Part**" after "**This Part**".**

REPEAL

Repeal
22. The *Public Utilities Act* is repealed.

COMING INTO FORCE

Coming into force
23. (1) Subject to subsection (2), this Act comes into force or is deemed to have come into force on March 31, 2001.

Same
(2) Section 22 comes into force or is deemed to have come into force on March 30, 2001.

CONSOLIDATION OF QULLIQ ENERGY CORPORATION ACT

R.S.N.W.T. 1988,c.N-2

(Current to: July 27, 2004)

AS AMENDED BY NORTHWEST TERRITORIES STATUTES:

R.S.N.W.T. 1988,c.46(Supp.)
R.S.N.W.T. 1988,c.66(Supp.)
R.S.N.W.T. 1988,c.108(Supp.)
In force April 1, 1992
S.N.W.T. 1997,c.8
S.N.W.T. 1996,c.19
In force April 1, 1998;
SI-005-98
S.N.W.T. 1999,c.7

AS AMENDED BY STATUTES ENACTED UNDER SECTION 76.05 OF NUNAVUT ACT:

S.N.W.T. 1999,c.8
In force April 1, 1999

AS AMENDED BY:

S.Nu. 2000,c.18
In force April 1, 2001
S.Nu. 2001,c.3
In force March 31st, 2001, except s.22 (deemed); s.22 in force March 30, 2001 (deemed).
S.Nu. 2003,c.5
In force April 1st, 2003, except s.16 to 19; s.16 to 19 in force on a day or days to be fixed by order of the Commissioner in Executive Council.

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QULLIQ ENERGY CORPORATION ACT

S.N.W.T. 1999,c.8, Sch.A,s.1
S.Nu. 2003,c.5,s.2

INTERPRETATION

Definitions
1. In this Act,

"cost of service" means the total cost to the Corporation of providing energy to its customers; (*coût du service*)

"energy" means

(a) electricity,
(b) heat that is supplied through a district heating system by hot water, hot air or steam,
(c) manufactured gas, liquified petroleum gas, natural gas, oil or any other combustible material that is supplied through a pipeline or any other distribution system directly to a customer, or
(d) any other form of energy approved by order of the Minister; (*énergie*)

"equity" includes the amounts that would be classified as shareholder's equity on a balance sheet prepared according to generally accepted accounting principles as set out in the accounting recommendations of the CICA Handbook of the Canadian Institute of Chartered Accountants; (*capitaux propres*)

"rate structure" means the rate zones, classes of customers of the Corporation, classes of service provided by the Corporation and the rules respecting the allocation of the revenue requirements among the rate zones, classes of customers and classes of service; (*structure tarifaire*)

"revenue requirements" means the costs of service plus return on equity. (*besoins en revenus*)
R.S.N.W.T. 1988,c.46(Supp.),s.2; c.108(Supp.),s.2; S.N.W.T. 1999,c.8,Sch.A,s.2.
S.Nu. 2003,c.5,s.3.

Paramountcy
1.1. Where there is a conflict or an inconsistency between this Act or the regulations and any other enactment, this Act shall prevail to the extent of the conflict or inconsistency. S.N.W.T. 1999,c.8,Sch.A,s.3; S.Nu. 2001,c.3,s.21(2).

PART I

QULLIQ ENERGY CORPORATION

Definitions
1.2. In this Part,

"Board" means the Board of Directors of the Corporation; (*conseil*)

"Corporation" means the corporation established by subsection 4(1); (*Société*)

"electrical energy commencement date" means a date fixed as such by order of the Commissioner in Executive Council on the recommendation of the Minister; (*date de référence pour l'énergie électrique*)

"fuel commencement date" means a date fixed as such by order of the Commissioner in Executive Council on the recommendation of the Minister; (*date de référence pour le combustible*)

"Minister" means the Minister of Energy. (*ministre*)
S.N.W.T. 1999,c.8,Sch.A,s.3; S.Nu. 2003,c.5,s.4.

Business Corporations Act
2. The provisions of the *Business Corporations Act* that are prescribed apply to the Corporation. S.N.W.T. 1996,c.19,Sch.,s.9(2); S.N.W.T. 1999,c.7, s.2.

Utility Rates Review Council Act
3. Except as otherwise provided, the *Utility Rates Review Council Act* applies to the Corporation. S.Nu. 2001,c.3,s.21(3).

3.1. R.S.N.W.T. 1988,c.46(Supp.),s.3; **Repealed, S.N.W.T. 1999,c.8,Sch.A,s.4**.

Establishment of Corporation
4. (1) A corporation called the Nunavut Power Corporation is established.

Agent of Government of Nunavut
(2) The Corporation is an agent of the Government of Nunavut.
S.N.W.T. 1999,c.8,Sch.A, s.5,6,7(a).

Name of Corporation changed
(3) On the electrical energy commencement date, the Corporation is renamed "Qulliq Energy Corporation".

Power Corporation
(4) On the electrical energy commencement date, a subsidiary of the Corporation, identified by the Board, is renamed "Nunavut Power Corporation".

Fuel Corporation
(5) On the fuel commencement date, a subsidiary of the Corporation, identified by the Board, is renamed "Qulliq Fuel Corporation". S.Nu. 2003,c.5,s.5.

Objects of Corporation
5. (1) The objects of the Corporation are:

(a) to generate, transform, transmit, distribute, deliver, sell and supply energy on a safe, economic, efficient and reliable basis;
(b) to plan and provide for Nunavut's long term needs for affordable energy, taking into consideration Nunavut's desire to enhance energy self-reliance and to conserve energy and energy resources;
(c) to purchase, store, process, distribute, deliver, sell and supply petroleum products and other fuels;
(d) to undertake programs to maximize efficiency of fuel and other energy consumption and to provide advice and information to consumers to enable fuel and energy conservation;
(e) subject to the *Utility Rates Review Council Act*, to set rates and tariffs for energy and services supplied by the Corporation and its subsidiaries; and
(f) to undertake any other activity directed or authorized by order of the Commissioner in Executive Council.

Subsidiaries
(2) The Corporation may establish one or more subsidiaries to carry out its objects, if authorized to do so by order of the Commissioner in Executive Council.

Scope of order
(3) An order under subsection (2) may:

(a) specify the constitution and functions of the subsidiary and the manner in which it will be controlled;
(b) make conditions respecting any other matter related to the subsidiary; and
(c) make applicable to the subsidiary, with the necessary modifications, any of the following provisions of this Act:

(i) subsection 4(2),
(ii) section 7,
(iii) section 10,
(iv) section 13,
(v) section 14,
(vi) section 15,
(vii) section 33.1,
(viii) section 38. R.S.N.W.T. 1988,c.46(Supp.),s.4; S.N.W.T. 1999,c.8,Sch.A, s.8(a); S.Nu. 2003,c.5,s.6.

Exclusive supplier retail power
5.1. (1) No person, other than the Corporation, may engage in the retail supply of power in Nunavut except under the authority of an exemption granted by the Minister.

Conditions on exemption
(2) An exemption granted under subsection (1):
(a) is valid for a period of time set out in the instrument of exemption, but may be renewed;
(b) does not imply that the Minister or the Corporation has any responsibility for anything done by the person to whom the exemption is granted; and
(c) shall only be granted where, in the opinion of the Minister, to do so does not significantly detract from the role of the Corporation.

Definitions
(3) In this section:

"power" means electrical power, however generated, including electrical energy; (*énergie*)

"retail supply of power" means an arrangement, transaction or series of transactions which, in form or in substance, constitutes the sale or supply of power to the end user of the power. (*fourniture d'énergie au détail*)
S.Nu. 2001,c.3,s.21(4).

Natural person
6. Subject to this Act, the Corporation has the capacity, rights, powers and privileges of a natural person.

Act contrary to objects
7. No act of the Corporation, including any transfer of property to or by the Corporation, is invalid or void by reason only that the act or transfer is contrary to the objects of the Corporation.

Board of Directors
8. (1) There shall be a Board of Directors of the Corporation composed of not fewer than six directors and not more than 10 directors.

Chairperson and vice-chairperson
(2) The chairperson and vice-chairperson of the Board shall be designated by the Minister from among the directors.

Powers and duties of Board
(3) The Board shall direct the business of the Corporation and may for that purpose exercise the powers and perform the duties of the Corporation under this Act and the regulations.

Directions and guidelines

(4) The Board, in exercising its powers and performing its duties and the powers and duties of the Corporation under this Act and the regulations, shall act in accordance with the directions and policy guidelines that may from time to time be issued or established by the Minister or the Executive Council. S.Nu. 2003,c.5,s.7.

Duties of vice-chairperson

8.1. (1) The chairperson may delegate to the vice-chairperson the powers and duties given to the chairperson under this Act and the regulations.

Absence of chairperson

(2) Where the chairperson is absent or is unable to act, the vice-chairperson shall perform the duties and exercise the powers of the chairperson.
R.S.N.W.T. 1988,c.46(Supp.),s.5.

Appointment of director

9. (1) A director shall be appointed by the Minister.

Term

(2) A director shall be appointed for a term not exceeding three years as specified in the appointment.

Delay of appointment

(3) Notwithstanding subsection 8(1) and subsection (1), the Minister may, in his or her discretion, elect not to appoint directors to the Board of Directors while Part II of this Act is in force. S.N.W.T. 1999,c.8,Sch.A,s.9.

Honorarium and expenses

10. (1) A director shall be paid an honorarium, if the director is not a member of the public service as defined in the *Public Service Act* and shall be reimbursed for expenses.

Fixing of honorarium and expenses

(2) The Minister shall fix the honorarium and expenses referred to in subsection (1).

By-laws

11. (1) The Board may, by by-law, govern its proceedings and provide generally for the conduct of the business of the Corporation.

Quorum

(2) A majority of the directors constitutes a quorum.

President

12. (1) There shall be a president of the Corporation appointed by the Minister, on the recommendation of the Board.

Remuneration

(2) The Minister shall, on the recommendation of the Board, fix the remuneration and other terms and conditions of employment of the president.

(3) **Repealed, R.S.N.W.T. 1988,c.46,(Supp.), s.6.**

Appointment of chief executive officer

12.1. (1) The Minister may appoint the chairperson or the president as chief executive officer of the Corporation.

Duties

(2) The chief executive officer shall supervise, manage and direct the business of the Corporation in accordance with the direction of the Board.
R.S.N.W.T. 1988,c.46(Supp.),s.7.

Employees

13. The employees of the Corporation shall be employees of the public service as defined in the *Public Service Act*.

Former NTPC employees

13.1. (1) Every employee of the Northwest Territories Power Corporation who, on March 31, 2001, was employed in a position located in Nunavut and at the end of that day ceased to be employed in the public service of the Northwest Territories by the operation of legislation of the Northwest Territories, is an employee of the Corporation and is subject to the same terms of employment as had previously applied.

Employment deemed continuous

(2) For greater certainty, the employment of an employee mentioned in subsection (1) is deemed to have been continuous, and any period of employment in the public service as defined in the *Public Service Act* (Northwest Territories) is deemed to have been employment in the public service as defined in the *Public Service Act*.

Collective agreement continued

(3) The terms of any collective agreement that was in force on March 31, 2001 and that was entered into between the Minister responsible for the public service of the Northwest Territories and the employees' association representing any employees mentioned in subsection (1) are continued for the duration of the collective agreement

(a) with the substitution of the Minister responsible for the public service of Nunavut for the Minister responsible for the public service of the Northwest Territories,

(b) with the substitution of the employees' association responsible for representing employees of the Corporation under section 41 of the *Public Service Act* for the employees' association, and

(c) with any other modifications that the circumstances require.

Contracts of employment continued

(4) The terms of any contract of employment or other agreement that was in force on March 31, 2001 and that was entered into between an employee mentioned in subsection (1) and either the Minister responsible for the public service of the Northwest Territories or the Northwest Territories Power Corporation are continued for the duration of the contract or agreement

(a) with the substitution of the Minister responsible for the public service of Nunavut for the Minister responsible for the public service of the Northwest Territories,

(b) with the substitution of the Corporation for the Northwest Territories Power Corporation, and

(c) with any other modifications that the circumstances require.

Application of this section

(5) This section applies notwithstanding anything to the contrary in any other Act or law or in any collective agreement, memorandum of understanding, contract of employment or other agreement. S.Nu. 2000,c.18,s.1.

Liability

14. (1) No proceedings lie against the president, a director, an officer, an employee or any person acting for or on behalf of the Corporation, the Board, the president, a director or an officer under this Act or the regulations for any act or omission that he or she, acting in good faith, reasonably believed was required or authorized by an enactment.

Indemnity

(2) Notwithstanding the *Financial Administration Act*, the Corporation, with the approval of the Minister, may make an indemnity on behalf of a person referred to in subsection (1) for all claims, losses, costs, charges and expenses incurred by the person in proceedings to which the person is made a party by reason of holding a position with the Corporation or for any act or omission referred to in subsection (1).

Signing of indemnity

(3) The chairperson may execute a document evidencing an indemnity on behalf of the Corporation. R.S.N.W.T. 1988,c.46(Supp.),s.8; S.Nu. 2003,c.5,s.8.

Conflict of interest

15. The *Conflict of Interest Act* applies to the directors and the president.

Power of expropriation

16. The Corporation may expropriate any land that the Corporation considers necessary for the purpose of enhancing energy services in Nunavut, in accordance with the *Expropriation Act*. S.N.W.T. 1999,c.8, Sch.A,s.8(b).

Joint use of public area

16.1. (1) The Minister may make an order where the Minister is satisfied that:

(a) the Corporation has the right to enter a municipality or settlement to place its equipment on, along, across, over or under any public area owned by the municipal or settlement corporation; or

(b) the Corporation cannot extend its system, line or apparatus between two places where it is authorized to operate without

(i) placing its distribution equipment on, along, across, over or under a public area owned by a municipal or settlement corporation, or

(ii) making unreasonable expenditures, and

(c) the Corporation cannot agree with the municipal or settlement council on the use of the public area or on the terms of use.

Terms of order

(2) An order made under subsection (1) may

(a) require the municipal or settlement council to allow the Corporation to use the public area, where this can be done without unduly preventing other persons from using the public area, and

(b) fix the terms of use by the Corporation, or provide for a method of fixing the terms of use. S.Nu. 2001,c.3,s.21(5).

Joint use of equipment

16.2. (1)The Minister may make an order where the Minister is satisfied that:

(a) public convenience or necessity requires that the Corporation use equipment owned by another person;

(b) the use will not prevent the owner or other users from performing their duties or result in any substantial detriment to their service; and

(c) the Corporation cannot agree with the owner on the use of the equipment or on the terms of use.

Terms of order

(2) An order made under subsection (1) may:

(a) require the owner to allow the Corporation to use the equipment;

(b) fix the terms of use by the Corporation or provide for a method of fixing the terms of use. S.Nu. 2001,c.3,s.21(5).

17. (1) **Repealed, S.Nu. 2003,c.5,s.9.**

(2) **Repealed, R.S.N.W.T. 1988,c.46(Supp.), s.9; c.108(Supp.),s.3.**

TRANSITIONAL PROVISIONS

Board continued
17.01. On the electrical energy commencement date, the Board established by subsection 8(1) is continued as the Board of Qulliq Energy Corporation.

Staff transferred to Qulliq Energy Corporation
17.02. (1) The Commissioner in Executive Council may, by order, transfer any employee within the public service to be an employee of Qulliq Energy Corporation or any subsidiary of it.

Service deemed continuous
(2) An employee who is transferred under subsection (1) or who is transferred by the Corporation to one of its subsidiaries is deemed for all purposes to serve continuously as an employee of the public service under section 13, despite the transfer.

Order transferring assets
17.03. (1) The Minister may make an order to facilitate the transfer of assets from the Government to the Corporation, on the terms and conditions set by the Minister, where the Minister is of the opinion that to do so is necessary or desirable to enable the Corporation to fulfill its objects.

Assets transferred to Corporation
(2) Where the Minister makes an order under subsection (1), any assets or rights and interests in property described in the order are deemed to become assets, rights and interests of the Corporation.

Interpretation
(3) For greater certainty, and without restricting the generality of subsection (2), it includes real, personal and any other form of property, and both registered and unregistered interests.

Liabilities not affected by transfer
(4) Despite any change of name or transfer of assets, contracts or employees by or under this Act, any proceeding in law or equity or by virtue of any enactment that had been or could have been commenced or continued against the Government of Nunavut or the Corporation before the coming into force of this Act, may be commenced or continued against the Government of Nunavut, the Corporation or any of its subsidiaries with regard to any asset, contract, franchise, record, registration, right or obligation that is transferred to the Corporation.

Time continues to run
(5) Any time that is limited in any such commencement or continuation, in relation to any matter in the proceeding, continues to run despite the transfer.

Registration

(6) Any office of the Government where interests in real, personal or any other property are registered or recorded shall, upon application by the Corporation, amend its records and issue new instruments of registration

(a) to show that the Corporation is the holder of any interest that would have been held by the Government but for an order made under subsection (1); or

(b) to show the name of the Corporation as changed by subsection 4(3).

Fees waived

(7) No fee is payable by the Corporation to any agency of the Government for anything done under subsection (6).

Interpretation

(8) For greater certainty, and without restricting the generality of it, subsection (6) applies to interests registered or recorded under the *Land Titles Act*, the *Motor Vehicles Act*, the *Personal Property Security Act* or the *Corporation Securities Registration Act*. S.Nu. 2003,c.5,s.10.

RATES AND RATE STRUCTURES

17.1. R.S.N.W.T. 1988,c.46(Supp.), s.10; c.108(Supp.),s.4;
Repealed, S.Nu. 2001,c.3,s.21(6).

18. R.S.N.W.T. 1988,c.46(Supp.), s.11; c.108(Supp.),s.5; S.Nu. 2001,c.3,s.21(7);
Repealed, S.Nu. 2003,c.5,s.11

Definition

18.1. (1) In this section, "major capital project" means a capital project that has a total cost that exceeds $5,000,000.

Major capital project

(2) The Corporation shall not undertake, nor permit any of its subsidiaries to undertake, a major capital project unless it applies in advance to the Minister for an order giving permission for the project.

Minister may seek advice

(3) Before responding to an application for permission made under subsection (2), the Minister may seek the advice of the Utility Rates Review Council established under the *Utility Rates Review Council Act*.

Corporation to provide information

(4) The Corporation shall provide the Minister and the Utility Rates Review Council with any information necessary for the Minister to decide whether permission should be granted.

What Minister may do

(5) The Minister may

(a) grant permission for undertaking the major capital project, with or without conditions; or

(b) refuse permission.

Order

(6) Permission granted by the Minister under paragraph (5)(a) shall be in the form of an order. S.Nu. 2001,c.3,s.21(8); S.Nu. 2003,c.5,s.12.

19. Repealed, R.S.N.W.T. 1988,c.46(Supp.),s.12; c.108(Supp.),s.6.

20. Repealed, R.S.N.W.T. 1988,c.108(Supp.),s.6.

Duties of Corporation

21. The Corporation shall

(a) prepare an annual operating budget of the Corporation;

(b) prepare an annual capital budget for the generation, transforming, transmission, distribution, delivery, sale and supply of energy in Nunavut;

(b.1) prepare an annual rates and subsidies forecast setting out the rate base, the rates, the rate structure and the revenues requirements of the Corporation, including any resulting subsidy needs;

(b.2) prepare an annual capital budget for the purchase, storage, transportation, distribution, sale and supply of petroleum products in Nunavut;

(c) **Repealed, R.S.N.W.T. 1988,c.108 (Supp.),s.7**.

(d) prepare an annual long term energy supply plan, including plans for the generation, transmission and distribution of power and for the purchase, storage, transportation and distribution of petroleum products; and

(e) provide to the Minister any information requested by the Minister within the time specified.

R.S.N.W.T. 1988,c.46(Supp.),s.13; c.108(Supp.),s.7; S.N.W.T. 1999,c.8,Sch.A,s.8(c); S.Nu. 2001,c.3,s.21(9); S.Nu. 2003,c.5,s.13.

Interruption of service

22. (1) Where a plant or any part of a plant malfunctions and the Corporation is unable to supply energy, the Corporation shall, with due regard for cost and circumstance,

(a) promptly make repairs; and

(b) pending repairs, take all reasonable steps to supply energy from other sources, if other sources are reasonably available.

Liability of Corporation and subsidiaries

(2) Subsection (1) applies to any subsidiary of the Corporation and neither the Corporation nor any of its subsidiaries are liable for any claim for financial loss or inconvenience caused to any person by reason of a failure to supply any service, where they act in accordance with subsection (1). S.Nu. 2003,c.5,s.14.

FINANCIAL POWERS OF CORPORATION

Line of credit

23. Subject to the *Nunavut Act* and the *Financial Administration Act*, the Corporation may, for the purposes of the Corporation, borrow money by way of a line of credit. S.N.W.T. 1999,c.8,Sch.A,s.10.

Issuing of securities

24. The Corporation may, subject to Part IX of the *Financial Administration Act*,

(a) issue bonds, debentures or other securities of the Corporation for the purpose of borrowing money;

(b) determine the amount of a security referred to in paragraph (a) to be issued and the rights, privileges and conditions of the security;

(c) sell, charge, pledge, mortgage or otherwise deal with any securities referred to in paragraph (a) as collateral securities; and

(d) secure any borrowing or liability of the Corporation by charge, pledge or mortgage of all or any currently owned or subsequently acquired real or personal property of the Corporation.

Limit on borrowing

25. The amounts borrowed under sections 23 and 24 shall not exceed at any time three times the sum of the paid-up share capital of the Corporation plus the retained earnings. R.S.N.W.T. 1988,c.46(Supp.),s.14.

Territorial guarantee

26. The Government of Nunavut may, notwithstanding the *Financial Administration Act*, guarantee repayment of principal and interest of any money borrowed by the Corporation and the principal of and interest on, and any premiums payable under any bonds, debentures or other securities issued by the Corporation. R.S.N.W.T. 1988,c.46(Supp.),s.15; S.N.W.T. 1999,c.8,Sch.A,s.7(b).

Contribution

27. (1) The Government of Nunavut may make a contribution to the Corporation out of money appropriated for that purpose.

Loans

(2) Notwithstanding section 58 of the *Financial Administration Act*, the Government of Nunavut may, from time to time, make a loan to the Corporation.

Investments

(3) Notwithstanding section 57 of the *Financial Administration Act*, the Government of Nunavut may, from time to time, invest in the Corporation. R.S.N.W.T. 1988,c.46(Supp.),s.16; S.N.W.T. 1999, c.8,Sch.A,s.7(b).

28. Repealed, R.S.N.W.T. 1988,c.46(Supp.),s.17; c.108(Supp.),s.8.

Dividends

29. (1) Subject to the direction of the Executive Council, the Corporation shall, from time to time, declare dividends.

(2) R.S.N.W.T. 1988,c.46(Supp.),s.18; c.108(Supp.),s.9; S.Nu. 2001,c.3,s.21(10); **Repealed, S.Nu. 2001,c.3,s.21(11)**.

30. R.S.N.W.T. 1988,c.46(Supp.), s.19; S.N.W.T. 1999,c.8,Sch.A,s.7(c); **Repealed, S.Nu. 2003,c.5,s.15**.

Accounts in financial institutions

31. (1) Notwithstanding the *Financial Administration Act*, the Corporation may maintain in its own name one or more accounts in one or more financial institutions.

Administration

(2) The Corporation shall administer any accounts established under subsection (1). R.S.N.W.T. 1988,c.46(Supp.),s.20.

Investment of money

32. The Corporation may invest money

(a) in certificates of deposit, deposit receipts, notes or other evidences of indebtedness given by a bank in consideration of deposits made with the bank;

(b) in securities where repayment of principal and interest is unconditionally guaranteed by a bank;

(c) in an investment within the classes of investments enumerated in section 86 of the *Canadian and British Insurance Companies Act* (Canada); and

(d) notwithstanding the *Financial Administration Act*, in any other securities that are rated in the highest rating category by a recognized rating institution. R.S.N.W.T. 1988,c.46 (Supp.),s.21.

Investments in energy utilities

33. The Corporation may, subject to the approval of the Minister and the Minister of Finance, as defined in the *Financial Administration Act*, invest in shares, bonds, debentures or other securities of a corporation incorporated under an Act or an extra-territorial corporation registered under the *Business Corporations Act* for the purpose of carrying on the business of generating, transforming, transmitting, distributing, delivering, selling or supplying energy. S.N.W.T. 1996,c.19,Sch.,s.9(3).

Write-off
33.1. (1) Notwithstanding the *Financial Administration Act*, the Corporation may write off

(a) a debt or obligation owed to the Corporation where the debt or obligation does not exceed $20,000 and any other asset where the amount of the asset to be written off does not exceed $100,000; and

(b) with the approval of the Financial Management Board, any debt, obligation or asset that exceeds the amounts set out in paragraph (a).

Restriction
(2) The Corporation shall not write off an asset, a debt or an obligation unless it considers the asset, debt or obligation to be unusable, unrealizable or uncollectible. R.S.N.W.T. 1988,c.46(Supp.),s.22.

Fiscal year
34. The fiscal year of the Corporation is the period beginning on April 1 in one year and ending on March 31 in the following year.

Auditor
35. (1) The Auditor General is the auditor of the Corporation.

Audit
(2) The accounts of the Corporation must be audited annually.

Annual report
(3) The Corporation shall, within three months after the end of each fiscal year, prepare a report on the preceding fiscal year in accordance with the *Financial Administration Act*.

Report of auditor
(4) The auditor shall report annually to the Minister and the Board on the results of the examination of the auditor of the accounts and financial statements of the Corporation and the report must state whether, in the opinion of the auditor,

(a) the financial statements present fairly the financial position at the end of the fiscal year and results of the operations and the changes in financial position for that year in accordance with generally accepted accounting principles applied on a basis consistent with that of the immediately preceding year,

(b) proper books of account have been kept and the financial statements are in agreement with the books of account, and

(c) the transactions that have come under the notice of the auditor are in accordance with

(i) this Act and the regulations,

(ii) the *Financial Administration Act* and any regulations made under it,
(iii) the by-laws of the Corporation, and
(iv) any directives issued to the Corporation pursuant to this Act or the *Financial Administration Act*,

and the auditor shall call attention to any other matter falling within the scope of the examination of the auditor that, in the opinion of the auditor, should be brought to the attention of the Legislative Assembly.

Powers of auditor

(5) The auditor may require the officers and employees of the Corporation

(a) to produce all records, documents, books, accounts and vouchers kept in respect of the administration of this Act; and
(b) to provide the information and explanations that the auditor considers necessary.

Submission of report

(6) The Corporation shall submit the annual report referred to in subsection (3) to the Minister within three months after the end of each fiscal year.
R.S.N.W.T. 1988,c.46(Supp.),s.23.

Tabling of report

36. The Minister shall table before the Legislative Assembly a copy of the report referred to in subsection 35(3) at the first session of the Legislative Assembly following the receipt of the report by the Minister.

MISCELLANEOUS

37. Repealed, R.S.N.W.T. 1988,c.108(Supp.), s.10.

Definition of "improvements"

38. (1) In this section, "improvements" means a building fixed to land but does not include land, mobile units, pipelines, works and transmission lines, railways, personal property, fixtures, machinery, equipment, appliances or anything that is portable.

Exemption from taxation

(2) Subject to subsections (3) and (4), the property of the Corporation is exempt from taxation.

Grants

(3) The Corporation shall pay a grant in an amount equal to the property taxes on assessed lands and improvements of the Corporation to a municipal taxing authority or to the Government of Nunavut, if the land and improvements are in a general taxation area, as defined in the *Property Assessment and Taxation Act*.

Petroleum products tax

(4) The Corporation is liable for the payment of taxes imposed under the *Petroleum Products Tax Act*. R.S.N.W.T. 1988,c.46(Supp.),s.24; c.66(Supp.),s.1; S.N.W.T. 1999,c.8,Sch.A,s.7(d).

(5) **Repealed, S.N.W.T. 1999,c.7,s.3**.

39. R.S.N.W.T. 1988,c.46(Supp.),s.25; c.108(Supp.), s.11; S.N.W.T. 1996,c.19,Sch.,s.9(4); S.N.W.T. 1999,c.7,s.4; **Repealed, S.N.W.T. 1999,c.8,Sch.A, s.11**.

PART II

NORTHWEST TERRITORIES POWER CORPORATION

Definition of "Power Corporation"

40. In this Part, "Power Corporation" means the Northwest Territories Power Corporation established by the *Northwest Territories Power Corporation Act* (Northwest Territories). R.S.N.W.T. 1988,c.108 (Supp.),s.12; S.N.W.T. 1999,c.7,s.5; S.N.W.T. 1999, c.8,Sch.A,s.12.

Agreements

41. (1) The Minister, on behalf of the Government of Nunavut, may enter into agreements with the Government of the Northwest Territories

(a) establishing terms and conditions under which the Power Corporation may carry on its business, conduct its affairs and exercise its powers in Nunavut with respect to the provision of services in Nunavut and the fulfilment of such objects of the Power Corporation as relate to Nunavut; and

(b) providing for the division of the assets and liabilities of the Power Corporation.

Amendment or replacement of agreement entered into by Interim Commissioner

(2) An agreement made under subsection (1) may amend or replace an agreement entered into between the Interim Commissioner of Nunavut and the Government of the Northwest Territories for the same purposes. S.N.W.T. 1999,c.7,s.5; S.N.W.T. 1999,c.8,Sch.A,s.12.

Capacity of Power Corporation to operate in Nunavut

42. The Power Corporation may carry on its business, conduct its affairs and exercise its powers in Nunavut. S.N.W.T. 1999,c.7,s.5; S.N.W.T. 1999,c.8,Sch.A, s.12.

Application of *Public Utilities Act*

43. (1) Except as otherwise provided, the *Public Utilities Act* applies to the Power Corporation.

Business Corporations Act does not apply

(2) The *Business Corporations Act* does not apply to the Power Corporation.

Electrical Protection Act does not apply

(3) The *Electrical Protection Act* does not apply to the Power Corporation. R.S.N.W.T. 1988,c.46(Supp.),s.26; c.108(Supp.),s.13; S.N.W.T. 1999, c.7,s.5; S.N.W.T. 1999,c.8,Sch.A,s.12.

Liability

44. No proceedings lie against the president, a director, an employee or any person acting for or on behalf of the Power Corporation, the Board of Directors, the president or a director under this Act or the regulations for any action taken or omission made that he or she, acting in good faith, reasonably believed was required or authorized by an enactment. R.S.N.W.T. 1988,c.46(Supp.),s.27; S.N.W.T. 1999, c.7,s.5; S.N.W.T. 1999,c.8,Sch.A,s.12.

Power of expropriation

45. The Power Corporation may expropriate any land that the Power Corporation considers necessary for the purpose of enhancing energy services in Nunavut, in accordance with the *Expropriation Act*. S.N.W.T. 1999,c.7,s.5; S.N.W.T. 1999,c.8,Sch.A,s.12.

Supply of water and sewage service

46. The Power Corporation may supply water or sewerage service for a municipal corporation where the Power Corporation has been granted a franchise by the municipal corporation. S.N.W.T. 1999,c.8,Sch.A,s.12.

Revenue requirements

47. The rate base, the rates, the rate structure and the revenue requirements of the Power Corporation shall be determined in accordance with this Act, the *Public Utilities Act*, the *Northwest Territories Power Corporation Act* (Northwest Territories) and the *Public Utilities Act* (Northwest Territories). S.N.W.T. 1999,c.8,Sch.A,s.12.

Rates

48. Subject to the *Public Utilities Act* and the *Public Utilities Act* (Northwest Territories), the Power Corporation may establish rates and terms and conditions for the supply of energy and water and sewerage services. S.N.W.T. 1999,c.8,Sch.A,s.12.

Interruption of service

49. (1) Where a plant or any part of a plant malfunctions and the Power Corporation is unable to supply energy or where the Power Corporation is unable to supply water or sewerage service, the Power Corporation shall, with due regard for cost and circumstance,

(a) promptly make repairs; and

(b) pending repairs, take all reasonable steps to supply energy or water or sewerage service from other sources, if other sources are reasonably available.

Liability of Power Corporation

(2) The Power Corporation is not liable for any claim for financial loss or inconvenience caused to any person by reason of the failure to supply energy or water or sewerage service, where the Power Corporation acts in accordance with subsection (1). S.N.W.T. 1999,c.8,Sch.A,s.12.

Government guarantee

50. (1) The Government of Nunavut may, notwithstanding the *Financial Administration Act*, guarantee repayment of principal and interest of any money borrowed by the Power Corporation and the principal of and interest on, and any premiums payable under any bonds, debentures or other securities issued by the Power Corporation.

Contribution

(2) The Government of Nunavut may make a contribution to the Power Corporation out of money appropriated for that purpose.

Loans

(3) Notwithstanding section 58 of the *Financial Administration Act*, the Government of Nunavut may, from time to time, make a loan to the Power Corporation.

Investments

(4) Notwithstanding section 57 of the *Financial Administration Act*, the Government of Nunavut may, from time to time, invest in the Power Corporation. S.N.W.T. 1999,c.8,Sch.A,s.12.

Application of dividends

51. Notwithstanding the *Public Utilities Act*, where the Power Corporation declares dividends under subsection 29(1) of the *Northwest Territories Power Corporation Act* (Northwest Territories), the dividends on the common shares received by the Government of Nunavut shall be applied to the subsidization of rates for energy or water or sewerage services and related administration costs. S.N.W.T. 1999,c.8,Sch.A,s.12.

Definition of "improvements"

52. (1) In this section, "improvements" means a building fixed to land but does not include land, mobile units, pipelines, works and transmission lines, railways, personal property, fixtures, machinery, equipment, appliances or anything that is portable.

Exemption from taxation

(2) Subject to subsections (3) and (4), the property of the Power Corporation is exempt from taxation.

Grants

(3) The Power Corporation shall pay a grant in an amount equal to the property taxes on assessed lands and improvements of the Power Corporation to a municipal taxing authority or to the Government of Nunavut, if the land and improvements are in a general taxation area, as defined in the *Property Assessment and Taxation Act*.

Petroleum products tax

(4) The Power Corporation is liable for the payment of taxes imposed under the *Petroleum Products Tax Act*. S.N.W.T. 1999,c.8,Sch.A,s.12.

REPEAL

Repeal

53. This Part or any section of this Part is repealed on a day to be fixed by order of the Commissioner. S.N.W.T. 1999,c.8,Sch.A,s.12; S.Nu. 2001,c.3,s.21(12).

PART III

REGULATIONS

Regulations

54. The Commissioner, on the recommendation of the Minister, may make regulations

(a) prescribing the provisions of the *Business Corporations Act* that apply to the Nunavut Power Corporation; and

(b) as may be necessary for carrying out the provisions of the Act. S.N.W.T. 1999,c.8,Sch.A,s.12.

Government of Nunavut

Energy Action Plan

December 1, 2003

Approved-in-Principle by Government of Nunavut's Cabinet on December 11, 2003

Executive Summary

It wasn't long ago that Nunavummiut practiced energy self-reliance: Energy needs were supplied by the land and converted for use through ingenuity and *Qanuqtuurniq.*

Today, in sharp contrast, Nunavut is almost completely dependent on imported oil. This dependence on oil and its inefficient use are at the heart of a range of environmental, social and economic challenges in Nunavut's energy sector.

Primarily because of diesel generated electricity, Nunavummiut are the highest per capita contributors of greenhouse gas emissions that lead to climate change, within Canada. Climate change is already being experienced in Nunavut. Recorded impacts are undermining Inuit traditional knowledge such as weather forecasting and reading ice conditions. A changing climate in these areas can make conditions dangerous for hunters.

This Energy Action Plan helps address these challenges and directs Nunavut towards a more self reliant, environmentally-responsible and prosperous future.

The Action Plan recognizes that energy solutions, reducing greenhouse gas emissions, stimulating community economies and reducing costs are complementary goals. It establishes a vision, guiding principles and action plans under each of the following five priority areas:

1. Greening Government and Leading by Example
2. Public Outreach, Education and Capacity Building
3. Managing Nunavut's Energy Supply
4. Community Energy Development
5. Accountable Energy Governance

The Plan outlines some key structural measures including establishing:

- an energy policy unit in the GN to coordinate implementation of, and reporting on the Energy Action Plan and other energy policy initiatives;
- a not-for-profit Nunavut Energy Centre to advance educational and practical energy initiatives; and
- an energy governance structure that is accessible and accountable to Nunavummiut.

Important actions include:

- A comprehensive greening government initiative to facilitate low cost activities;
- Government energy and greenhouse gas reduction plans to be reported on annually;
- Promoting public outreach, learning and individual accountability;
- Advancing energy supply projects;
- Developing a policy framework to facilitate green power and local investment;
- Incorporating energy into community planning processes; and
- An open and accountable rate setting process that keeps energy subsidies outside of the General Rate Application process.

Introduction

A New Direction

Nunavut is now in charge of its own destiny and taking charge of Nunavut's energy management--the supply, distribution and use of energy--can bring positive change to the environmental, social and economic well-being of Nunavummiut. An examination of current Government of Nunavut energy-related policies and practices is required, as a first step.

Environmental costs associated with Nunavut's dependence on imported oil and electrical diesel generation are significant. The burning of fossil fuels contributes to global production of greenhouse gas emissions resulting in climate change that impacts Nunavut's traditional culture and environment. Air emissions from diesel generation facilities and fuel spills from its transport and distribution are also local issues.

As a result of Government of Nunavut policies and practices, efficiency and conservation efforts are constrained because most Nunavummiut don't pay for all the energy they use. Without direct benefits, like cost savings, there is little incentive for these energy users to pursue energy efficient measures. In many cases governments are paying their energy bill. In fact more than 80 percent of the territorial energy bill is paid by the Government of Nunavut to cover its own energy consumption as well as hidden and direct subsidies to consumers.

This Energy Action Plan focuses on government, but recognizes that wise energy management is everyone's responsibility. The Government of Nunavut currently spends approximately $120 million or 20 percent of its budget to pay the energy bill. Reducing this annual bill is clearly in the interest of all Nunavummiut.

While opportunities for making real and positive changes in the energy sector are great, some difficult decisions lie ahead. Changes in corporate culture, operations and cooperation within and among governments will be required. The Energy Action Plan is intended to steer the Government and all of Nunavut towards a path of environmental sustainability, energy self reliance and increased energy choice.

Linkages

The Energy Action Plan responds to the Government of Nunavut's commitment to addressing climate change under the Kyoto Protocol. Nunavut was the first jurisdiction to sign the Memorandum of Understanding (MOU) for Cooperation on Addressing Climate Change with Canada on October 31, 2003. The parties agreed to cooperate in priority areas including greenhouse gas emission reduction through energy management programs.

The Bathurst Mandate priorities, particularly *Simplicity, Unity* and *Self-Reliance*, are fundamental to effective energy management. The Plan also has guiding principles and key elements in common with the Nunavut Climate Change and Economic Development Strategies.

The Government of Nunavut's pursuance and adoption of the two Ikuma Energy Reports in 2001 and 2002 resulted in critical changes in the management of the territory's energy sector and emphasized the need to establish clear energy directions for Nunavut. The Action Plan builds on the Ikuma II report findings.

Process

In July 2003 Cabinet directed that a Deputy Ministers Steering Committee on Energy (DMSCE) be established to facilitate the development of an Energy Strategy for Nunavut (re-named Energy Action Plan to highlight a high-level and results-oriented focus). Qulliq Energy Corporation was asked to coordinate the work along with appointed senior departmental representatives.

A project scope and approach was approved by DMSCE in September 2003. Meetings to review an early draft of the Plan and discuss concerns and interests were held with individual departments, Nunavut Tunngavik Inc.(NTI) and Indian and Northern Affairs Canada (INAC) in October. A revised draft was circulated broadly within the Government of Nunavut, NTI and INAC for a final review. Based on these sessions as well as written feedback the final Energy Action Plan was developed.

Stakeholder consultation on the Plan with advice from NTI will be pursued in the spring of 2004. Final Cabinet approval will be sought thereafter, followed by implementation of the Plan. Some actions are already underway.

Implementation and Accountability

The Energy Action Plan outlines priorities, strategic directions and action plans for the Government of Nunavut. It is intended as a guiding document to hold departments accountable.

Some actions are straightforward and can be implemented immediately without further development. Others are more complex and will require departments to work together, develop work plans and consult with stakeholders before implementation.

Significant actions should be incorporated into the annual departmental business plans. Identified departments are accountable to the action items in the Action Plan and responsible for pursuing any funding required to complete the action.

An energy policy unit, to be established, will be responsible for coordinating the implementation and review of the Energy Action Plan and other GN energy policy initiatives.

The Action Plan should be reviewed in April 2005 and thereafter every 2 years. Although long term initiatives are identified, the Action Plan has a 5-year focus. In 2008, the beginning of the first Kyoto reporting period, it is expected that Nunavut's energy sector will require a thorough review. The Action Plan will have to be updated accordingly.

The Energy Action Plan Structure

Vision: Provides core values to guide the establishment of principles and priorities.

Vision

Energy self-reliance in harmony with Nunavut's unique environment and guided by an informed Nunavummiut.

Guiding Principles

Guiding Principles: Broad statements that set direction for strategic decisions and identify the ultimate condition desired.

Qanuqtuurniq: Focusing on solutions rather than problems and pursuing practical solutions that build on strengths.

Accountability: Empower Nunavummiut to be accountable for their energy use and hold governments accountable for Nunavut's energy supply, management and use.

Transparency: Government of Nunavut's management of energy should be simple, transparent and accessible.

Piliriqatigiingniq: People working in harmony to achieve a common purpose.

Convey True Costs: All energy consumers shall know the true cost of energy and pay a fair cost for energy services.

Measurable Results: Energy use and costs shall be tracked so that the success of actions can be measured.

Multiple Benefits: Energy initiatives, where possible, shall contribute to other goals such as community economic development.

Avatittinnik Kamattiarniq: Taking good care of, and preserving the environment.

Priority Areas

Priority Areas: Provides an overview of key areas where action is needed to address the Principles.

1. Greening Government and Leading by Example
2. Public Outreach, Education and Capacity Building
3. Managing Nunavut's Energy Supply
4. Community Energy Development
5. Accountable Energy Governance

Action Plans: Specific actions required to pursue strategic directions and objectives under each priority area.

Action Plans

Five Action Plans, guided by Strategic Directions with key objectives have been developed for each of the Priority Areas.

The Priority Areas

1. Greening Government and Leading by Example

Strategic Directions:

⇒ Integrate wise energy management into Government of Nunavut's work place culture.

⇒ Establish effective structures to measure success and ensure agencies and individuals are accountable for, and benefit from their energy management.

Nunavut is almost completely dependent on imported fuel and diesel generated electricity to satisfy its energy needs. It has the highest per capita energy consumption and greenhouse gas emission production within Canada. These consumption patterns contradict the Government of Nunavut's commitment to the Kyoto Protocol principles and elements of the Bathurst Mandate.

The Government of Nunavut (GN) pays more than 80 percent of the entire territory's energy bill. This is because of the GN's dominance in all sectors of Nunavut's economy as well as the significant residential and commercial subsidies--direct and hidden--that it pays for fuel, heating and electricity.

Compared to other regions in Canada, Nunavut has a limited history of energy-related programs upon which to build. Work needs to begin with tracking the energy use, costs and associated greenhouse gas emissions so that energy management efforts can be measured and reported to the public.

There is an opportunity to reduce energy demand significantly with the prevalence of the government and Inuit organizations in Nunavut's housing and commercial sectors. Implementation of widespread, low-cost efficiency and conservation programs can be done quickly and effectively because of the limited number of "owners." Medium cost initiatives, such as energy skills training and building retrofits can offer broad returns in terms of skills, jobs and potential business opportunities. Behaviour changes can be pursued in the work place to achieve energy savings at no additional costs.

The GN has a role to play to lead the territory by "greening" its practices and reducing its energy use, costs and greenhouse gas emissions.

Greening Government Action Plan Objectives:

- Work towards achieving Canada's Kyoto greenhouse gas reduction targets—6 percent reduction by 2008-2012—for Nunavut;
- Reduce territorial energy costs and thereby free up dollars for critical needs such as housing; and
- Develop a foundation of knowledge from a suite of wise energy management and green work practices, upon which governments, residential and commercial sectors can build.

2. Public Outreach, Education and Capacity Building

Strategic Directions:

⇒ Build knowledge among Nunavummiut to foster wise energy practices.

⇒ Increase public awareness and understanding about the connection between Energy, the Environment and the Economy -- the E^3 Connection.

Global environmental issues such as ozone depletion and long range transport of contaminants have historically impacted northern jurisdictions like Nunavut more severely than southern neighbours. This is particularly true for the broad issue of climate change.

Impacts from these global environmental issues are compounded in Nunavut by the fact that the marine and terrestrial ecosystems are both fragile and vital to Nunavummiut, whose culture and daily lives are rooted in these environments.

The link between energy and environmental impacts, such as the consequences of greenhouse gas emissions from diesel electricity generation, is not well understood by the public.

Energy is managed at many user levels; households, businesses, communities, governments and utilities. However, some energy users like housing tenants, in Nunavut, have little incentive to consider, let alone reduce, energy use because governments pay all or a portion of their energy bill.

Educating energy users about the true costs of energy, regardless of who ultimately pays the bill as well as the environmental and cost consequences of energy choices is critical to initiating positive behaviour changes.

There is also a perception that there are few choices available to individuals, businesses and governments to reduce their energy use or find alternatives to fossil fuel-based energy supply.

Changing these perceptions requires a multi-instrument approach starting with education and information.

Public Outreach and Education Action Plan Objectives:

⇒ To empower Nunavummiut:
- by exposing and conveying true energy costs to them; and
- by informing them about the environmental consequences of their energy use and the choices available to them.

3. Managing Nunaut's Energy Supply

Strategic Directions:

⇒ Increase the local energy supply component of Nunavut's total energy supply base.

⇒ Ensure the Nunavut-wide fuel purchase is as low-risk, cost-effective and beneficial to Nunavummiut as possible.

The development of local, green power (renewable, non-greenhouse gas-emitting sources) such as small hydro, solar, wind or even tidal energy sources is essential to reducing Nunavut's dependence on imported fuel. A well-defined policy structure will be required to support local green power development including procurement policies and incentive options. Energy investment opportunities are examined under Priority Area 4, Community Economic Development.

Cost-effective projects that show a significant contribution to reducing imported fuel dependence should be priorities for scarce investment dollars. Larger demand centres such as Iqaluit, which accounts for over 30 percent of Nunavut's electricity demand should be a focus for supply options.

Efforts also need to focus on making diesel electricity generation more efficient. This is most effectively done by recovering at least a portion of the two thirds of diesel fuel energy, which is normally "lost" as waste heat, and using it for commercial space and water heating.

Nunavut's oil and gas resources in the high Arctic, although potentially rich, are not easily accessible. Development is not a short-term goal because high capital inputs and technology and environmental challenges need to be overcome before intensive development can take place. The incentive to facilitate development lies with the federal government as long as it has authority over the resource and receives the royalties.

Fuel for the territory is currently purchased by Petroleum Products Division (PPD) as well as Nunavut Power Corporation for its own use. On April 1, 2004 PPD will be transferred to Qulliq Fuel Corporation (QFC) as a subsidiary of Qulliq Energy Corporation. This one entity, established to manage the whole fuel purchase, will introduce better economies of scale and provide other benefits to Nunavummiut. Under QFC, fuel rates will be set under the same regulatory structure that guides Nunavut Power Corporation.

Energy Supply Action Plan Objectives:

- Ensure local, renewable supply and/or waste heat opportunities are considered, as a matter of course, during community energy supply planning;
- Establish a comprehensive policy and regulatory framework to encourage the development of alternative local supply; and
- Minimize the environmental risks and economic vulnerability associated with the fuel supply.

4. Community Energy Development

Strategic Directions:

⇒ Reduce the outflow of energy dollars outside of the Nunavut economy and ensure energy solutions also contribute to community economic development.

⇒ Promote the integration of community and energy planning processes and encourage local energy supply investment.

The Nunavut economy is developing and growing. All four areas of capital--human, social, natural and physical--need fundamental inputs. The management of Nunavut's energy system--supply, distribution and use--is central to the health of Nunavut's economy, communities and the environment. Issues such as housing and community economic development have a critical energy component.

Currently, Nunavut's imported fuel supply expenditures escape the economy with few direct benefits to Nunavummiut. Conversely, every dollar spent on wise energy management or local energy supply can more easily provide an investment in, or introduce new markets, technologies, skills and knowledge to the local economy.

Current community planning processes rarely consider energy needs. As a result energy savings through projects such as waste heat from diesel generators can be missed and unnecessary energy costs passed on to communities. Ensuring that energy and community planning processes are linked will become increasingly important if more local, renewable supply options are to be pursued. Good planning processes can provide an educational and cost-effective tool to facilitate local supply and waste heat opportunities as well as participation of investment partners.

Nunavut's population growth and associated pressure on existing infrastructure leaves the Government of Nunavut as well as Qulliq Energy Corporation (QEC) critically short of capital for investment in new energy supply projects. However, new investment capital in the energy sector is critical if Nunavut is to begin to diversify its energy supply base.

Local renewable energy supply could offer stable investment and economic development opportunities for local organizations, communities or corporations. Nunavut Power Corporation has exclusive rights to retail and distribute power throughout Nunavut and ownership of these components of electricity will remain under government control through QEC.

Community Energy Development Action Plan Objectives:

- Implement integrated community and energy planning processes;
- Create an environment that encourages individual and corporate investment in local, alternative energy supply and increases federal government investment;
- Stimulate new components of the energy sector to diversify and invigorate the economy;
- Facilitate new business opportunities in emerging energy fields and technologies.

5. Accountable Energy Governance

Strategic Directions:

⇒ Establish an energy governance structure that is accessible and accountable to Nunavummiut and provides a system of checks and balances.

⇒ Pursue a fair energy cost structure by conveying true energy costs to consumers and keeping energy rate structures and energy subsidies separate.

The Nunavut Power Corporation is a regulated utility under the *Utility Rates Review Council Act*. Electricity rates are set through a public General Rate Application (GRA) process. Under the Act, the Minister of Energy approves rates subject to an independent review by the Utility Rates Review Council. The direct authority of the Minister and the substitution of a full Public Utility Board by an advisory council is a unique regulatory model among Canadian jurisdictions.

Transportation and heating fuel rates will be regulated like electricity through the transfer of the Petroleum Products Division to the Qulliq Fuel Corporation, scheduled to be completed by April 1, 2004. Qulliq Fuel Corporation will be responsible for purchasing, transporting and selling to retailers (or NPC) all fuels for the territory.

Energy rate structures, established through the GRA can be varied and complex. Rates can be set for each community, based on actual costs to the community or averaged over a region or the whole territory. Rates are generally established by first determining the allowable utility costs followed by an allocation of these costs to various customer classes and adding an acceptable rate of return to the utility.

In addition to energy rate structures, the Government of Nunavut has a range of energy subsidy programs. Subsidies are an important tool of government to apply principles of fairness or affordability if the true costs are seen as unaffordable by a particular consumer group. However, subsidy program costs are borne by government and depending on whether they are broad or targeted, transparent or hidden, subsidies mask the true costs and consequently can remove the incentive to use energy wisely.

Under the *Qulliq Energy Corporation Act*, the Affordable Energy Fund (AEF) is to be established to directly or indirectly subsidize the cost of energy to make it affordable.

Energy policy, including rate setting and subsidies, often contains social, economic and environmental policy components. Various departments and corporations within the GN have authority over different parts of the broad energy portfolio. Interdepartmental and intergovernmental coordination of energy policy is critical to ensure the range of policy issues are considered in GN's energy decisions.

Energy Governance Action Plan Objectives:

- Quantify and clarify existing and proposed energy subsidy programs;
- Keep energy subsidies outside of the General Rate Application process; and
- Establish an accountable and accessible energy governance structure within Government of Nunavut.

Priority Action Plans

Action Plans corresponding to the five priority areas are presented in this section. The following reference chart provides an explanation of the options and definitions for each category.

Category	Options	Definition
Actions	n/a	Description of the action
Timeframe	I	Immediate: 0-2 years – to end of 2005
	S	Short: 2-4 years -- 2006-2008
	M	Medium: 4-9 years – 2008-2012 (Kyoto timeframes)
	L	Long: 10 + years – 2013 +
Lead Agency * **Bold font indicates lead agency** * Regular font indicates participating agency	All	All of the departments/agencies listed below
	CGT	Community Government and Transportation
	Ed	Education
	EPU	Energy policy unit (to be established)
	F	Finance
	HR	Human Resources
	HSS	Health and Social Services
	J	Justice
	NEC	Nunavut Energy Centre (to be established)
	NHC	Nunavut Housing Corporation
	NPC	Nunavut Power Corporation
	PPD	PW&S-Petroleum Products Division
	PWS	Public Works and Services
	QEC	Qulliq Energy Corporation
	QFC	Qulliq Fuel Corporation (to be established)
	SD	Sustainable Development
	URRC	Utility Rates Review Council
Cost	H	High: $ 500,000+
	M	Medium: $ 50,000 to $ 500,000
	L	Low: up to $ 50,000
	N/A	None: no additional budget required
	+A	Additional: indicates another source of funding is identified or will be sought

1. Greening Government Action Plan

Objectives:

- Work towards achieving Canada's Kyoto greenhouse gas reduction targets—6 percent reduction by 2008-2012—for Nunavut;
- Reduce territorial energy costs and thereby free up dollars for critical needs such as housing; and
- Develop a foundation of knowledge from a suite of wise energy management and green work practices, upon which governments, residential and commercial sectors can build.

No.	Actions		Time-frame	Lead	Cost
1.1	GN Energy Use, Cost and GHG Tracking and Reporting	Database: Work with individual departments to establish GN-wide energy use, greenhouse gas emissions and cost-savings tracking system(s). Analysis: Annually analyze and report on GN energy use, emissions and costs by department/corporation and the GN, as a whole.	I	**NEC & PWS** All	M +A
1.2	Energy Management for GN Buildings Initiative	Design and implement a comprehensive energy reduction program for GN leased and owned buildings including: ▪ an energy efficiency addition to Good Buildings Practices Guidelines; ▪ an energy training program for building users; and ▪ a self-funded energy retrofit program for buildings.	I-M	**PWS**	M
1.3	Nunavut Energy Centre (NEC)	Establish a not-for-profit centre as a practical delivery agent to achieve widespread energy management goals. ▪ develop an energy and emissions database and tracking system to allow program success to be measured (see Action 1.1); ▪ design and promote public education and outreach programs; ▪ implement practical energy programs and facilitate integrated energy solutions; and ▪ provide energy training. (link to Priorities 2 and 4)	I	**NEC** PWS NHC SD QEC All	M +A
1.4	Green Government Program	Design and establish a comprehensive low-cost program to reduce GN energy use and operational costs in the work place, in staff housing and through the use of fleet vehicles. Examine a broad range of technical, behavioural and operational initiatives to develop: ▪ green procurement initiatives; ▪ behaviour change incentives; ▪ information and learning activities; and ▪ monitoring and enforcements measures. Establish a coordinating team and dept. reps to implement the program.	I-S	**EPU, PWS & SD** All	M

No.	Actions		Time-frame	Lead	Cost
		Work with federal and community governments to share successes.			
1.5	Housing Energy cost-savings Prioritization	Complete background research and representative community energy audits to prioritize broad-scale energy savings opportunities for public and staff housing, according to ease of implementation and pay-back.	S	**NHC & NEC** NPC PWS	L
1.6	NPC Efficient Operations	Develop and implement operational energy savings plans by: a) conducting community plant, distribution and station service audits; and b) researching innovative technologies and operations in other jurisdictions (e.g. Greenland).	S-M	**NPC**	M-H +A
1.7	Federal Climate Change MOU	Negotiate an action-oriented Annex to the Memorandum of Understanding for Cooperation on Addressing Climate Change with the federal government and advance projects. (link to Priorities 2 through 5)	I	**QEC & SD**	L-H +A
1.8	GN and departmental Greenhouse Gas (GHG) and Energy Reduction Plans	Departmental Energy and GHG Reduction Plans: Require each department and corporation to develop and implement GHG, energy use and cost reduction plans (using results from Action 1.1). GN Energy and GHG Reduction Plans: Require the development of a GN-wide plan with targets to be tabled in the legislature and reported on annually. Examine mechanisms to allow departments to retain a portion of their cost savings.	I-S	**EPU, F & SD All**	L-M

2. Public Outreach and Education Action Plan

Objectives:

⇒ To empower Nunavummiut:
- by exposing and conveying true energy costs to them; and
- by informing them about the environmental consequences of their energy use and the choices available to them.

No.	Actions		Time-frame	Lead	Cost
2.1	Convey True Costs to Public	Investigate and report on GN's true and subsidized energy costs. ▪ Develop a consumer education program about the opportunity costs of broad subsidies; and ▪ Show true costs on electrical and heating fuel bills.	I	**EPU, QEC & F** NEC	N/A
2.2	Broad Energy Awareness	Develop Public Education and Outreach (PEO) initiatives to broaden public knowledge about: ▪ the consequences of inefficient energy use and the benefits associated with local, renewable supply; ▪ Kyoto, climate change and energy use; and ▪ the range of energy cost savings opportunities. (See Action 1.4)	I-S	**NEC** SD QEC	M +A
2.3	Learning Opportunities	Increase Nunavummiut's energy-related skills and knowledge base through energy-related training and workshops for the general public and targeted audiences, such as GN employees. (See Action 1.4)	I-M	**NEC** Ed PWS NHC	M +A
2.4	Recognition Programs	Establish government and Community Energy Awards to stimulate energy innovation and efficiency. (See Action 1.4)	S	**NEC** All	L-M +A
2.5	Pilot Projects	Actively pursue funding and partnership opportunities to develop a range of energy technologies such as solarwalls and photovoltaics and convey monitoring results to the public. (link with Priority 3, Managing Energy Supply and see Action 1.4)	I-M	**NEC** QEC SD PWS	M +A
2.6	Youth Initiative	Engage Youth to be Nunavut's future energy change agents: ▪ Work with NEC youth interns to develop energy-related skills and knowledge-based programs for youth. ▪ Incorporate energy programming in the schools. (See Action 1.4)	S	**NEC** Ed	M +A

3. Energy Supply Action Plan

Objectives:

- Ensure local, renewable supply and/or waste heat opportunities are considered, as a matter of course, during community energy supply planning;
- Establish a comprehensive policy and regulatory framework to encourage the development of alternative local supply; and
- Minimize the environmental risks and economic vulnerability associated with the fuel supply.

No.	Actions		Time-frame	Lead	Cost
Electricity and (Waste) Heat Supply & Storage					
3.1	Diesel Waste Heat Projects	Advance all cost-effective diesel generator residual (waste) heating projects to the implementation stage.	I-M	**QEC & NPC**	H +A
3.2	Sustainability criteria for Planning	Establish sustainability criteria for supply planning to ensure that: a) local energy supply options are evaluated along side diesel generators; b) community energy planning principles are applied; and c) operational savings are pursued. (link with 4.2)	S	**NPC**	M +A
3.3	Supply Assessments	Complete wind and hydro Level 1 and Level 2 (where appropriate) Nunavut-wide resource assessments to prioritize future studies and work.	S	**QEC & NPC**	M-H +A
3.4	Local Energy Supply Projects	By the Year 2008 increase the renewable energy component of Nunavut's total energy supply base by advancing: ▪ one major (> 50% of community demand) energy supply projects, such as Iqaluit's hydro resources; or ▪ two smaller (> 15% of community demand) energy supply projects. (link with Priority Area 4. Community Economic Development)	S-L	**QEC & NPC**	H +A
3.5	Iqaluit Energy Supply	Pursue Baseline Supply Work in Iqaluit by advancing an options, education and consultation program for exploring the local energy supply options. (link with 3.4)	S-M	**QEC & NPC**	M +A
Supply and Distribution Policy Development					
3.7	Green Power Program	Examine and recommend program options for green power (renewable energy) in order to facilitate its development. Consider initiatives such as: ▪ green "tags" and pre-development purchase agreements with large energy users (e.g. federal government); ▪ a greenhouse gas emission credit system; and ▪ an education and communications program. (link with 4.1)	S	**EPU** QEC	M

No.	Actions		Time-frame	Lead	Cost
3.8	Power Supply Purchasing Policy	In order to facilitate local and outside investment in local energy supply, develop an electricity supply purchase policy that outlines: ▪ purchase options (e.g. avoided cost of diesel); ▪ technical requirements; and ▪ partnership opportunities etc. (link with 4.2)	S	**EPU** QEC	N/A - L
3.9	Distributed Generation Policy	Develop a policy that addresses technical, regulatory and business barriers and opportunities for distributed energy in Nunavut. Pursue pilot project(s) to overcome technical barriers and provide information to the public.	S	**EPU** QEC	N/A - L
3.10	Oil and Gas Policy Work	A broad Oil and Gas Strategy is required under the Nunavut Economic Development Strategy.	L	**SD**	L
		Fuel Supply			
3.11	QFC Policy Work	Through QFC establishment, examine and report on options for: ▪ Alternative purchase arrangements: Continue to explore and report on alternatives such as hedging, spot purchase, etc ▪ Kitikmeot Fuel Supply Feasiblity Study: Investigate and report on future options, transport alternatives, logistics and potential partners. ▪ Mining Supply Policy: Develop a policy with principles and criteria for fuel supply to mining exploration and operations. ▪ Nunavummiut Benefits: Clarify NNI application for the territorial fuel purchase, while examining opportunities for incorporating more benefits to Nunavut-based companies or employment through the fuel supply contract(s).	I	**PPD & QFC**	N/A - L

4. Community Energy Development Action Plan

Objectives:

- Implement integrated community and energy planning processes;
- Create an environment that encourages individual and corporate investment in local, alternative energy supply and increases federal government investment;
- Stimulate new components of the energy sector to diversify and invigorate the economy;
- Facilitate new business opportunities in emerging energy fields and technologies.

No.	Actions		Time-frame	Lead	Cost
4.1	Community Energy Planning (CEP)	Work towards incorporating energy planning into community planning processes by: ▪ formalizing the linkage between community and energy supply planning processes through an MOU of cooperation with CG&T and Association of Municipalities; ▪ the NPC energy planner being an active player in community planning and facilitating community energy learning opportunities; and ▪ exploring energy supply investment opportunities and coordinating potential partners. (link with 4.2) Pursue a community pilot project that incorporates the above initiatives.	I-M	**CGT & QEC** SD NEC All	L-M +A
4.2	Community Energy Supply Investment	Research needs and develop tools to facilitate local partnership, investment and community opportunities in the energy supply sector. Develop an Energy Investment Plan that includes: ▪ instruments to create an investor-friendly environment (e.g. associated policy work); ▪ energy investment alternatives and partnership opportunities; ▪ a coordination role for GN and an investment role for the federal government; and ▪ education and capacity building. (link with Priority Area 3 Managing Energy Supply)	I-M	**EPU** QEC SD	M +A
4.3	Community Energy Innovation Fund	Develop criteria and structural options for a funding source to stimulate local energy market development and increase energy knowledge base. (e.g. fund CEP processes and/or energy pilot projects)	S	**NEC** QEC SD	L +A
4.4	Energy Opportunities Networking	Advance research and public information transfer for: ▪ appropriate energy technologies and opportunities for Nunavut. ▪ opportunities for circumpolar and tri-territorial energy initiatives and networking, developing and exporting expertise, sharing successes and common challenges. (e.g. Greenland)	S O/G	**NEC** QEC SD	L

5. Energy Governance Action Plan

Objectives:

- Quantify and clarify existing and proposed subsidy programs;
- Keep energy subsidies outside of the General Rate Application process; and
- Establish an accountable and accessible energy governance structure within Government of Nunavut.

No.	Actions		Time-frame	Lead	Cost
5.1	Energy Subsidy Work	Establish the Affordable Energy Fund by April 1, 2004: ▪ Consolidate the various energy subsidy programs throughout the Government of Nunavut into a central AEF for fuel and electricity.	I	**QEC** F EPU	L-H
5.2		Develop a comprehensive energy subsidy policy by April 1, 2005 that includes: ▪ broad consultation with departments and stakeholders; ▪ consideration of user needs and consumer choice options; and ▪ priorities, criteria and principles to guide the long-term management of the Affordable Energy Fund.	I-S	**EPU** All	L-H
5.3	2004 General Rate Application	Prepare a fair and transparent fuel and electricity rate application for the GRA in 2004, keeping energy subsidies outside of the GRA process.	I	**QEC**	M
5.4	Regulatory Structure Review	Examine and report on issues and options with respect to the existing energy regulatory approach. Recommend any necessary adjustments or restructuring.	S	**QEC, J & URRC**	M
5.5	Public Participation in Rate Setting Process	Engage the public through the development of educational initiatives to increase participation in the energy regulatory process. ▪ Examine options and pursue initiatives, such as civic participatory training and organizational skills, to provide the public with better tools to hold utilities and others accountable.	S	**QEC & URRC** EPU	M
5.6	Energy Policy Unit	Establish an Energy policy unit as soon as practicable to: ▪ Carry out energy-related research and policy development and lead interdepartmental coordination for the GN, as required, to implement the Energy Action Plan (EAP); ▪ Review and report on the EAP to Cabinet and the legislature; ▪ Provide intergovernmental, energy regulatory rate advice and support to Cabinet and the Energy Minister; and ▪ Develop a decision matrix for Cabinet as a “checklist” to ensure new government policies fit with the Action Plan.	I	**EPU** QEC SD F	N/A - L

Qulliq Energy Corporation **Appendix F**
URRC Recommendations Requested **Table 1.1.1**

Line No.	
1	**Revenue Requirement**
2	Operating Costs
3	Rate Base
4	Return on Equity
5	Deemed Equity
6	Financing Costs
7	Injuries and Damages Reserve
8	Rate Hearing Reserve
9	
10	**Rate Structure**
11	Community
12	Blended
13	Territorial
14	
15	**Rates**
16	Service Charges
17	Streetlights
18	Residual Heat
19	Demand
20	Consumption
21	
22	**Terms and Conditions of Service**
23	
24	**Rate Stabilization Fund**
25	March 31, 2005 Deficit
26	Fuel Rider Process
27	
28	**Alternative Energy Rate of $.005 per kWh**
29	
30	**Environmental Initiatives Rate of $.005 per kWh**
31	
32	**Beneficiary Employment Rate of $.0125 per kWh**
33	
34	**Industrial Exclusion**
35	
36	**Implementation Date**

Qulliq Energy Corporation **Appendix F**

Revenue Requirement **Table 1.5.1**

(in thousands of dollars)

Line No.		Forecast 2004/05	Forecast %
1	**Operations and Maintenance**		
2	Fuel and lubricants	23,897	31.0%
3	Fuel and lubricants - August 1 fuel price increase	3,681	4.8%
4	Salaries and wages	17,316	22.4%
5	Supplies and services	12,936	16.8%
6	Travel and accommodations	3,511	4.5%
7		61,341	79.5%
8			
9	**Reserves**		
10	Reserve for injuries and damages	150	0.2%
11	Rate hearing reserve	100	0.1%
12		250	0.3%
13	**Amortization**		
14	Capital Asset Amortization	5,950	7.7%
15	Financing Costs Amortization	497	0.6%
16		6,447	8.4%
17			
18	**Return on Rate Base**	9,136	11.8%
19			
20	**Total Revenue Requirement**	77,174	100.0%
21			
22	**Revenue at Existing Rates**	57,462	74.5%
23			
24	**Revenue Deficiency**	(19,712)	-25.5%
25			
26	**Revenue Deficiency % of Revenue at Existing Rates**		-34.3%

Qulliq Energy Corporation **Appendix F**

Operations and Maintenance **Table 1.5.2**

(in thousands of dollars)

Line No.		Forecast 2004/05	Forecast %
1	**Plant Operations and Maintenance**		
2	Fuel and lubricants	23,897	
3	Fuel and lubricants - August 1 fuel price increase	3,681	
4	Salaries and wages	5,312	
5	Supplies and services	4,562	
6	Travel and accommodations	890	
7		38,342	63%
8			
9	**Regional Office Operations and Maintenance**		
10	Salaries and wages	5,587	
11	Supplies and services	3,349	
12	Travel and accommodations	1,046	
13		9,982	16%
14			
15	**Head Office Operations and Maintenance**		
16	Salaries and wages	6,417	
17	Supplies and services	5,025	
18	Travel and accommodations	1,575	
19		13,017	21%
20			
21	**Total Operations and Maintenance**	61,341	100%

Qulliq Energy Corporation **Appendix F**

Operations and Maintenance - Plants **Table 1.5.3**

(in thousands of dollars)

Line No.																
		Plant No.						Forecast								
1	**Kitikmeot**	**501**	**502**	**503**	**504**	**505**	**Regional**	**2004/05**								
2	**Plant Operations and Maintenance**															
3	Fuel and lubricants	1,795	804	715	511	1,094	-	4,919								
4	Fuel and lubricants - August 1 fuel price increase	-	-	-	-	-	-	-								
5	Salaries and wages	239	197	211	190	244	1,146	2,227								
6	Supplies and services	396	25	150	99	270	550	1,490								
7	Travel and accommodations	33	30	45	42	45	199	394								
8	Reserve for injuries and damages	-	-	-	-	-	-	-								
9		2,463	1,056	1,121	842	1,653	1,895	9,030								
10										Forecast						
11	**Kivalliq**	**601**	**602**	**603**	**604**	**605**	**606**	**607**	**Regional**	**2004/05**						
12	**Plant Operations and Maintenance**															
13	Fuel and lubricants	1,981	1,455	1,176	570	289	296	432	-	6,199						
14	Fuel and lubricants - August 1 fuel price increase	-	-	-	-	-	-	-	-	-						
15																
16	Salaries and wages	191	210	250	215	193	173	186	1,229	2,647						
17	Supplies and services	55	38	448	229	72	126	109	630	1,707						
18	Travel and accommodations	12	23	35	34	30	20	38	272	464						
19	Reserve for injuries and damages	-	-	-	-	-	-	-	-	-						
20		2,239	1,726	1,909	1,048	584	615	765	2,131	11,017						
21																Forecast
22	**Qikiqtaaluq**	**701**	**702**	**703**	**704**	**705**	**706**	**707**	**708**	**709**	**710**	**711**	**712**	**713**	**Regional**	**2004/05**
23	**Plant Operations and Maintenance**															
24	Fuel and lubricants	6,518	864	733	626	719	751	360	326	258	403	424	201	489		12,672
25	Fuel and lubricants - August 1 fuel price increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
26	Salaries and wages	571	198	200	303	160	163	221	168	148	162	181	166	171	3,212	6,024
27	Supplies and services	748	339	143	45	277	80	142	68	32	54	291	172	296	2,169	4,856
28	Travel and accommodations	15	23	21	47	43	36	32	28	15	43	41	64	61	575	1,044
29	Reserve for injuries and damages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
30		7,852	1,424	1,097	1,021	1,199	1,030	755	590	453	662	937	603	1,017	5,956	24,596

	Qulliq Energy Corporation	Appendix G
	Rate Base	**Table 2.1.1**
	(in thousands of dollars)	
		Forecast
Line No.		**2004/05**
1	**Gross Plant in Service**	
2	Beginning of year	157,811
3	Add: Additions	15,216
4	Add: Assets Retired from Service Adjustment	
5	Less: Disposals	
6	End of year	173,027
7	**Mid-Year Balance**	165,419
8		
9	**Accumulated Amortization**	
10	Beginning of year	51,733
11	Add: Amortization	6,327
12	Add: Customer Contributions	
13	Less: Disposals	
14	End of year	58,060
15	**Mid-Year Balance**	54,897
16		
17	**Mid-Year Net Plant in Service**	110,523
18		
19	**Add: Mid-Year Working Capital**	9,694
20		
21	**Less: Mid- Year Customer Contributions**	(6,496)
22		
23	**Mid-Year Rate Base**	113,721

Qulliq Energy Corporation | **Appendix G**
Gross Plant in Service | **Table 2.1.2**
(in thousands of dollars)

Line No.	Gross Plant by Major FERC Category	Forecast 2004/05
1	**Hydro Plant**	
2	Beginning of year	-
3	Add: Additions	
4	Less: Disposals	
5	End of year	-
6		
7	**Diesel Plant**	
8	Beginning of year	120,762
9	Add: Additions	13,165
10	Less: Disposals	
11	End of year	133,927
12		
13	**Transmission Plant**	
14	Beginning of year	-
15	Add: Additions	
16	Less: Disposals	
17	End of year	-
18		
19	**Distribution Plant**	
20	Beginning of year	21,175
21	Add: Additions	1,364
22	Less: Disposals	
23	End of year	22,539
24		
25	**General Plant**	
26	Beginning of year	12,925
27	Add: Additions	536
28	Less: Disposals	
29	End of year	13,461
30		
31	**Energy Utilization Group**	
32	Beginning of year	2,949
33	Add: Additions	151
34	Less: Disposals	
35	End of year	3,100
36		
37	**Total Beginning of Year Gross Plant in Service**	157,811
38		
39	**Total End of Year Gross Plant in Service**	173,027
40		
41	**Total Mid-Year Gross Plant in Service**	165,419

	Qulliq Energy Corporation	Appendix G
	Accumulated Amortization	**Table 2.1.3**
	(in thousands of dollars)	
		Forecast
Line No.	**Accumulated Amortization by Major FERC Category**	**2004/05**
1	**Hydro Plant**	
2	Beginning of year	-
3	Add: Amortization	
4	Add: Customer Contributions	
5	Less: Disposals	
6	Less: Site Restoration Expenses	
7	End of year	-
8		
9	**Diesel Plant**	
10	Beginning of year	36,981
11	Add: Amortization	4,834
12	Add: Customer Contributions	
13	Less: Disposals	
14	Less: Site Restoration Expenses	
15	End of year	41,815
16		
17	**Transmission Plant**	
18	Beginning of year	-
19	Add: Amortization	
20	Add: Customer Contributions	
21	Less: Disposals	
22	Less: Site Restoration Expenses	
23	End of year	-
24		
25	**Distribution Plant**	
26	Beginning of year	9,164
27	Add: Amortization	678
28	Add: Customer Contributions	
29	Less: Disposals	
30	Less: Site Restoration Expenses	
31	End of year	9,842
32		
33	**General Plant**	
34	Beginning of year	4,191
35	Add: Amortization	566
36	Add: Customer Contributions	
37	Less: Disposals	
38	Less: Site Restoration Expenses	
39	End of year	4,757
40		
41	**Energy Utilization Group**	
42	Beginning of year	1,397
43	Add: Amortization	249
44	Add: Customer Contributions	
45	Less: Disposals	
46	Less: Site Restoration Expenses	
47	End of year	1,646
48		
49	**Total Beginning of Year Accumulated Amortization**	51,733
50		
51	**Total End of Year Accumulated Amortization**	58,060
52		
53	**Total Mid-Year Gross Accumulated Amortization**	54,897

Qulliq Energy Corporation **Appendix G**
Forecast Capital Additions **Table 2.2.1**
Year Ending March 31, 2005
(in thousands of dollars)

Line No.	Plant No.	Community	Description	Major FERC Category: Hydro Plant	Diesel Plant	Transmission Plant	Distribution Plant	General Plant	Energy Utilization
1	501	Cambridge Bay	Distribution Upgrade				228		
2									
3	503	Taloyoak	Distribution Upgrade				172		
4									
5	504	Kugaaruk	Replace Detroit 8V71		477				
6									
7	601	Rankin Inlet	Residual Heat Installation - Phase 1						2,243
8									
9	601	Rankin Inlet	Boom Truck					172	
10									
11	602	Baker Lake	New Plant - Phase 2		3,910				
12									
13	602	Baker Lake	Distribution Upgrade				365		
14									
15	603	Arviat	Plant Expansion		2,035				
16									
17	604	Coral Harbour	Replace Cat D398 and Cat D353		805				
18									
19	702	Pangnirtung	Distribution Upgrade				109		
20									
21	705	Pond Inlet	Distribution Upgrade				438		
22									
23	706	Igloolik	Plant Expansion Design		46				
24									
25			New Plant Design		197				
26									
27				-	7,470	-	1,312	172	2,243
28									
29									11,197

Qulliq Energy Corporation **Appendix G**
Construction Work in Progress **Table 2.2.2**
March 31, 2004

Line No.	Plant No.	Community	Description	FERC Code	Major FERC Category: Hydro Plant	Diesel Plant	Transmission Plant	Distribution Plant	General Plant	Energy Utilization
1	100	Head Office	Diamond/Great Plains Software	391		358,369				
2	502	Gjoa Haven	Distribution Project	365				1,058		
3	504	Kugaaruk	Distribution Project	365				20,480		
4	601	Rankin Inlet	Residual Heat Project	131						112,576
5	601	Rankin Inlet	Distribution Project	365				3,069		
6	602	Baker Lake	Plant Project	341		4,997,099				
7	602	Baker Lake	Distribution Project	365				8,945		
8	603	Arviat	Plant Expansion Project	341		5,592				
9	605	Chesterfield Inlet	Distribution Project	365				1,105		
10	701	Iqaluit	Residual Heat Project	131						246,903
11	701	Iqaluit	Distribution Project	365				593		
12	702	Pangnirtung	Engine Project	344		608,679				
13	705	Pond Inlet	Distribution Project	365				362		
14	706	Igloolik	Distribution Project	365				5,370		
15	708	Qikiqtarjuaq	Engine Project	344		331,502				
16	709	Kimmirut	Distribution Project	365				10,619		
17			Plant Design Project	341		556				
18										
19					-	6,301,797	-	51,601	-	359,478
20										
21										6,712,876

Qulliq Energy Corporation **Appendix G**
Mid Year Construction Work in Process **Table 2.2.3**
(in thousands of dollars)

Line No.	Construction Work In Process by Major FERC Category	Forecast 2004/05
1	Hydro Plant	
2	Beginning of year	
3	Add: Additions	
4	Less: Transferred to capital assets	
5	End of year	-
6		
7	Diesel Plant	
8	Beginning of year	5,938
9	Add: Additions	7,470
10	Less: Transferred to capital assets	(13,165)
11	End of year	243
12		
13	Transmission Plant	
14	Beginning of year	
15	Add: Additions	
16	Less: Transferred to capital assets	
17	End of year	-
18		
19	Distribution Plant	
20	Beginning of year	52
21	Add: Additions	1,312
22	Less: Transferred to capital assets	(1,364)
23	End of year	-
24		
25	General Plant	
26	Beginning of year	364
27	Add: Additions	172
28	Less: Transferred to capital assets	(536)
29	End of year	-
30		
31	Energy Utilization Group	
32	Beginning of year	359
33	Add: Additions	2,243
34	Less: Transferred to capital assets	(151)
35	End of year	2,451
36		
37	Total Beginning of Year Construction Work In Process	6,713
38		
39	Total End of Year Construction Work In Process	2,694
40		
41	Total Mid-Year Construction Work In Process	4,704

	Qulliq Energy Corporation	Appendix G
	Working Capital	**Table 2.3.1**
	(in thousands of dollars)	
		Forecast
Line No.		**2004/05**
1	**Cash Working Capital**	2,331
2	**Less: Deposits**	
3	Beginning of year	635
4	End of year	667
5	**Mid-Year Balance**	651
6		
7	**Add: Inventory**	
8	Beginning of year	7,124
9	Less: Capital inventory	
10	Net: Beginning of year	7,124
11	End of year	7,092
12	Less: Capital Inventory	
13	Net: End of year	7,092
14	**Mid-Year Balance**	7,108
15		
16	**Add: Deferred Charges**	
17	Beginning of year	502
18	End of year	502
19	**Mid-Year Balance**	502
20		
21	**Add: Prepaid Expenses**	
22	Beginning of year	286
23	End of year	521
24	**Mid-Year Balance**	404
25		
26	**Total Mid-Year Working Capital Requirement**	9,694

Qulliq Energy Corporation **Appendix G**

Cash Working Capital **Table 2.3.2**

(in thousands of dollars)

Line No.		Forecast 2004/05 Year End Balance	Daily Expense	Net Lag Days	Cash Working Capital
1	Fuel and Lubricants	27,578	76	13.87	1,048
2					
3	Salaries and Wages	17,316	47	13.87	658
4					
5	Supplies and Services	12,936	35	13.87	492
6					
7	Travel and Accommodations	3,511	10	13.87	133
8					
9	Total 2004/05 Forecast Expenses	61,341	168		2,331

Qulliq Energy Corporation **Appendix G**
Customer Contributions **Table 2.4.1**
(in thousands of dollars)

Line No.		Forecast 2004/05
1	**Customer Contributions Gross Plant**	
2	Beginning of Year	10,703
3	Add: Additions	
4	Less: Disposals	
5	End of Year	10,703
6		
7	**Customer Contributions Accumulated Amortization**	
8	Beginning of Year	4,018
9	Add: Amortization	378
10	Less: Adjustments	
11	End of Year	4,396
12		
13	**Net Beginning Customer Contributions**	6,685
14		
15	**Net Ending Customer Contributions**	6,307
16		
17	**Net Mid-Year Customer Contributions**	6,496

Qulliq Energy Corporation **Appendix H**
Capitalization Mid-Year **Table 3.1.1**
Return on Rate Base - Mid-Year
(in thousands of dollars)

2004/05

Line No.		Mid-Year Capitalization	Mid-Year Capital Ratios	Deemed Mid-Year Capitalization	Deemed Mid-Year Capital Ratios	Mid-Year Rate Base	Mid Year Cost Rate	Return
1	**Short Term Debt**							
2	Beginning of year	30		30				
3	Additional Borrowing	11,970		11,970				
4	Repayment	(12,000)		(12,000)				
5	End of year	-		-				
6	**Mid-Year Short Term Debt**	15	0.0%	15	0.0%	10	4.000%	0
7								
8	**Mid Year PPD**	9,914	8.3%	9,914	6.1%	6,933	4.000%	277
9								
10	**Long Term Debt**							
11	Beginning of year	77,000		77,000				
12	Additional Borrowing	10,000		10,000				
13	Repayment	-		-				
14	End of year	87,000		87,000				
15	**Mid-Year Long Term Debt**	82,000	68.4%	82,000	50.4%	57,341	6.809%	3,904
16								
17	**Mid Year NTPC**	5,646	4.7%	5,646	3.5%	3,948	4.000%	158
18								
19	**Equity**							
20	Beginning of year*	24,628		24,628				
21	Net Income	-		-				
22	Division Cost Adjustment	8,453		8,453				
23	Funding in Lieu of Fuel Rider**			-				
24	Deemed Equity Adjustment x 2			85,589				
25	Net Loss	(13,198)		(13,198)				
26	End of year	19,883		105,472				
27	**Mid-Year Equity**	22,256	18.6%	65,050	40.0%	45,488	11.500%	5,231
28								
29								
30	**Total**	119,831	100.0%	162,625	100.0%	113,721	8.034%	9,136

*Includes GN Funding in Lieu of Fuel Rider of $14 million

113,721

Qulliq Energy Corporation **Appendix H**

Debt to Equity Ratio **Table 3.2.1**

(in thousands of dollars)

Line No.			
		March 31, 2001	**Ratio**
1	**Debt**		
2	Short Term	-	
3	Long Term	-	
4	Due to NTPC	54,382	
5		54,382	55.6%
6			
7	**Equity**	43,433	44.4%
8			
9		**March 31, 2002**	
10	**Debt**		
11	Short Term	4,675	
12	Long Term	64,067	
13	Due to NTPC	5,477	
14		74,219	72.9%
15			
16	**Equity**	27,530	27.1%
17			
18		**March 31, 2003**	
19	**Debt**		
20	Short Term	9,426	
21	Long Term	68,362	
22	Due to NTPC	5,718	
23		83,506	81.0%
24			
25	**Equity**	19,552	19.0%
26			
27		**March 31, 2004**	
28	**Debt**		
29	Short Term	30	
30	PPD Adjustment	9,914	
31	Long Term	77,000	
32	Due to NTPC	5,646	
33		92,590	79.0%
34			
35	**Equity**	24,628	21.0%
36			
37		**March 31, 2005**	
38	**Debt**	**Forecast**	
39	Short Term	-	
40	PPD Adjustment	9,914	
41	Long Term	87,000	
42	Due to NTPC	5,646	
43		102,560	90.0%
44			
45	**Equity**	11,430	10.0%

Qulliq Energy Corporation **Appendix H**

Retained Earnings **Table 3.2.2**

(in thousands of dollars)

Line No.		
1	**Year Ended March 31, 2002**	
2	Beginning of year	43,433
3	Net loss for the year	(15,903)
4	End of year	27,530
5		
6	**Year Ended March 31, 2003**	
7	Beginning of year	27,530
8	Net loss for the year	(7,978)
9	End of year	19,552
10		
11	**Year Ended March 31, 2004**	
12	Beginning of year	19,552
13	Net loss for the year	(9,071)
14	GN Funding in Lieu of Fuel Rider	14,147
15	End of year	24,628
16		
17	**Year Ended March 31, 2005**	**Forecast**
18	Beginning of year	24,628
19	Net loss for the year	(13,198)
20	End of year	11,430

Qulliq Energy Corporation **Appendix H**

Financing Costs **Table 3.5.1**

Accumulated Amortization

(in thousands of dollars)

(straight line over twenty years)

Line No.			
1	**Year Ended March 31, 2002**	**Net Book Value**	**Accumulated Amortization**
2	Beginning of year	9,945	
3	Amortization for the year	(497)	(497)
4	End of year	9,448	(497)
5			
6	**Year Ended March 31, 2003**		
7	Beginning of year	9,448	(497)
8	Amortization for the year	(497)	(497)
9	End of year	8,951	(995)
10			
11	**Year Ended March 31, 2004**		
12	Beginning of year	8,951	(995)
13	Amortization for the year	(497)	(497)
14	End of year	8,453	(1,492)
15			
16	**Year Ended March 31, 2005**	**Forecast**	
17	Beginning of year	8,453	(1,492)
18	Amortization for the year	(497)	(497)
19	End of year	7,956	(1,989)

Qulliq Energy Corporation **Appendix I**
Amortization Expense **Table 4.3.1**

Line No.	DESCRIPTION DEPRECIABLE PLANT		ORIGINAL COST AT MARCH 31, 2004	PROPOSED ANNUAL RATE	CALCULATED DEPRECIATION ACTUAL ANNUAL RATE	PROPOSED ANNUAL AMOUNT	ACTUAL ANNUAL AMOUNT
1	OTHER UTILITY PROPERTY						
2	121	RESIDUAL HEAT SYSTEMS	879,282	2.50	10.00	21,982	87,928
3		WIND TURBINES	1,002,599	20.00	10.00	200,520	100,260
4			1,881,881			222,502	188,188
5	131	RESIDUAL HEAT SYSTEMS	1,063,923	2.50	10.00	26,598	106,392
6	TOTAL OTHER UTILITY PROPERTY		2,945,804			249,100	294,580
7							
8	DIESEL PLANT						
9	341	STRUCTURES AND IMPROVEMENTS	26,731,202	3.00	2.88	801,936	771,092
10	342	FUEL HOLDERS, PRODUCERS AND ACCESSORIES	11,753,676	5.76	5.22	677,012	613,235
11	343	PRIME MOVERS	38,126,730	5.31	4.53	2,024,529	1,726,493
12	344	GENERATORS	14,889,211	3.33	3.33	495,811	496,307
13	345	ACCESSORY ELECTRIC EQUIPMENT	14,466,543	3.70	3.70	535,262	535,798
14	346	MISCELLANEOUS POWER PLANT EQUIPMENT	6,783,612	5.56	5.00	377,169	339,181
15	TOTAL DIESEL PLANT		112,750,973			4,911,719	4,482,107
16							
17	DISTRIBUTION PLANT						
18							
19	361	STRUCTURES AND IMPROVEMENTS	389,956	2.63	2.63	10,256	10,262
20	362	STATION EQUIPMENT	361,582	2.86	3.33	10,341	12,053
21	364	POLES AND FIXTURES	7,657,793	4.66	4.67	356,853	357,562
22	365	OVERHEAD CONDUCTORS AND DEVICES	3,933,430	4.66	4.00	183,298	157,337
23	366	UNDERGROUND CONDUIT	36,287	4.00	5.00	1,451	1,814
24	367	UNDERGROUND CONDUCTORS AND DEVICES	100,317	4.00	4.98	4,013	4,995
25	368	LINE TRANSFORMERS	2,108,916	2.86	4.00	60,315	84,357
26	369	SERVICES	689,890	3.43	3.43	23,663	23,653
27	370	METERS	619,541	3.33	4.00	20,631	24,782
28	371	INSTALLATIONS ON CUSTOMER PREMISES	28,113	3.33	4.00	936	1,125
29	373	STREETLIGHTING AND SIGNAL SYSTEMS	211,190	3.15	3.15	6,652	6,652
30	TOTAL DISTRIBUTION PLANT		16,137,016			678,410	684,592
31							
32	GENERAL PLANT						
33	390	STRUCTURES AND IMPROVEMENTS	5,739,026	1.76	2.62	101,007	150,367
34	391	OFFICE FURNITURE AND EQUIPMENT	1,374,425	9.76	7.50	134,144	103,082
35	392	TRANSPORTATION EQUIPMENT	2,154,265	7.43	8.96	160,062	192,919
36	393	STORES EQUIPMENT	-	5.56	9.92	-	-
37	394	TOOLS, SHOP AND GARAGE EQUIPMENT	72,401	7.55	8.51	5,466	6,162
38	395	LABORATORY EQUIPMENT	21,125	4.17	5.26	881	1,112
39	396	POWER OPERATED EQUIPMENT	137,747	5.00	5.00	6,887	6,887
40	397	COMMUNICATION EQUIPMENT	1,563,706	5.00	6.67	78,185	104,247
41	398	MISCELLANEOUS EQUIPMENT	842,638	6.67	7.14	56,204	60,188
42	399	OTHER TANGIBLE PROPERTY	466,975	5.00	9.92	23,349	46,312
43	TOTAL GENERAL PLANT		12,372,308			566,185	671,277
44							
45	TOTAL DEPRECIABLE PLANT		144,206,100			6,405,414	6,132,555
46							
47	NON DEPRECIABLE PLANT		Insurance Amort			(77,924)	(77,924)
48							
49	330	LAND AND LAND RIGHTS	Donated Asset Amort			(377,804)	(377,804)
50	340	LAND AND LAND RIGHTS	422,705				
51	350	LAND AND LAND RIGHTS					
52	360	LAND AND LAND RIGHTS	21,805				
53	389	LAND AND LAND RIGHTS					
54	TOTAL NON DEPRECIABLE PLANT		444,510				
55							
56	Insurance Received		(2,701,339)				
57							
58	Fully Amortized Assets		15,861,706				
59							
60	TOTAL		157,810,977			5,949,686	5,676,827

Qulliq Energy Corporation **Appendix J**
Injuries and Damages Reserve **Table 5.1.1**

Line No.		
1	**Year Ended March 31, 2002**	
2	Beginning of year	300
3	Addition	-
4	Reduction	(300)
5		
6	End of year	-
7		
8	**Year Ended March 31, 2003**	
9	Beginning of year	-
10	Addition	-
11	Reduction	-
12		
13	End of year	-
14		
15	**Year Ended March 31, 2004**	
16	Beginning of year	-
17	Addition	-
18	Reduction	-
19		
20	End of year	-
21		
22	**Year Ended March 31, 2005**	
23	Beginning of year	300
24	Addition	150
25	Reduction	-
26		
27	End of year	450

Qulliq Energy Corporation **Appendix J**
Rate Hearing Reserve **Table 5.2.1**

Line No.		
1	**Year Ended March 31, 2002**	
2	Beginning of year	300
3	Addition	-
4	Reduction	(300)
5		
6	End of year	-
7		
8	**Year Ended March 31, 2003**	
9	Beginning of year	-
10	Addition	-
11	Reduction	-
12		
13	End of year	-
14		
15	**Year Ended March 31, 2004**	
16	Beginning of year	-
17	Addition	-
18	Reduction	-
19		
20	End of year	-
21		
22	**Year Ended March 31, 2005**	
23	Beginning of year	-
24	Addition	300
25	Reduction	(100)
26		
27	End of year	200

Qulliq Energy Corporation
Rate Stabilization Fund
Year Ended March 31, 2002

Appendix K
Table 8.2.1

Line No.	Plant No.	Plant	Fuel Price Budget	Fuel Price Actual	Fuel Price Variance	Actual Diesel Generation kWh	Approved Efficiency	Fuel Requirement	Deficiency 2001/02	Amount Collected	March 31, 2001 Balance Forward	March 31, 2002 Balance
1	501	Cambridge Bay	0.50450	0.7769	(0.2724)	6,713,100	3.431	1,956,602	(532,908)	220,205	(138,982)	(451,685)
2	502	Gjoa Haven	0.68592	0.9703	(0.2844)	3,280,800	3.230	1,015,728	(288,856)	100,834	(63,641)	(251,663)
3	503	Taloyoak	0.60063	0.9115	(0.3109)	2,598,000	3.190	814,420	(253,196)	89,831	(56,696)	(220,062)
4	504	Pelly Bay	0.64923	0.9422	(0.2930)	1,726,500	3.395	508,542	(148,994)	54,727	(34,541)	(128,807)
5	505	Coppermine	0.50290	0.7937	(0.2908)	4,529,707	3.496	1,295,683	(376,749)	167,550	(105,749)	(314,948)
6	601	Rankin Inlet	0.43349	0.5191	(0.0856)	12,211,333	3.637	3,357,529	(287,525)	349,712	(220,719)	(158,533)
7	602	Baker Lake	0.53156	0.8057	(0.2742)	5,833,600	3.399	1,716,269	(470,580)	204,127	(128,834)	(395,287)
8	603	Arviat	0.43349	0.5531	(0.1196)	5,104,587	3.356	1,521,033	(181,872)	187,694	(118,463)	(112,640)
9	604	Coral Harbour	0.53086	0.7449	(0.2140)	2,658,300	3.398	782,313	(167,432)	115,209	(72,714)	(124,936)
10	605	Chesterfield Inlet	0.43349	0.5451	(0.1116)	1,399,200	3.180	440,000	(49,090)	13,159	(8,305)	(44,236)
11	606	Whale Cove	0.51742	0.7022	(0.1848)	1,215,306	3.363	361,376	(66,768)	37,631	(23,750)	(52,888)
12	607	Repulse Bay	0.42370	0.6703	(0.2466)	1,938,723	3.332	581,850	(143,492)	59,964	(37,846)	(121,374)
13	701	Iqaluit	0.34820	0.5318	(0.1836)	42,101,880	3.645	11,550,584	(2,120,747)	1,564,513	(987,438)	(1,543,671)
14	702	Pangnirtung	0.43804	0.4738	(0.0358)	5,007,600	3.297	1,518,835	(54,329)	175,245	(110,605)	10,311
15	703	Cape Dorset	0.43804	0.5096	(0.0715)	4,450,200	3.519	1,264,621	(90,458)	158,821	(100,239)	(31,877)
16	704	Resolute Bay	0.63130	0.6562	(0.0249)	2,994,334	3.314	903,541	(22,523)	92,439	(58,343)	11,573
17	705	Pond Inlet	0.43996	0.4788	(0.0388)	4,510,808	3.608	1,250,224	(48,544)	148,703	(93,854)	6,306
18	706	Igloolik	0.33956	0.4998	(0.1602)	3,112,320	3.425	908,707	(145,620)	151,256	(95,465)	(89,828)
19	707	Hall Beach	0.42349	0.4758	(0.0523)	2,281,119	3.491	653,429	(34,171)	75,964	(47,945)	(6,151)
20	708	Broughton Island	0.43804	0.6033	(0.1653)	2,016,300	3.051	660,865	(109,209)	80,742	(50,960)	(79,427)
21	709	Lake Harbour	0.43804	0.5779	(0.1398)	1,655,730	3.330	497,216	(69,533)	55,944	(35,309)	(48,898)
22	710	Arctic Bay	0.43804	0.6472	(0.2091)	2,214,300	3.089	716,834	(149,910)	77,537	(48,937)	(121,310)
23	711	Clyde River	0.33956	0.5139	(0.1743)	2,667,934	3.324	802,628	(139,902)	89,388	(56,417)	(106,931)
24	712	Grise Fiord	0.49470	0.6050	(0.1103)	909,421	3.335	272,690	(30,080)	31,631	(19,964)	(18,413)
25	713	Saniqiluaq	0.57250	0.8192	(0.2467)	2,365,049	3.449	685,720	(169,174)	78,020	(49,242)	(140,396)
26												
27			0.48107	0.65309	(0.17202)	125,496,151		36,037,237	(6,151,660)	4,380,846	(2,764,958)	(4,535,772)

Qulliq Energy Corporation
Rate Stabilization Fund
Year Ended March 31, 2003

Appendix K
Table 8.2.2

Line No.	Plant No.	Plant	Fuel Price Budget	Fuel Price Actual	Fuel Price Variance	Actual Diesel Generation kWh	Approved Efficiency	Fuel Requirement	Deficiency 2002/03	March 31, 2002 Balance Forward	March 31, 2003 Balance
1	501	Cambridge Bay	0.50450	0.8088	(0.3043)	6,702,725	3.431	1,953,578	(594,448)	(451,685)	(1,046,133)
2	502	Gjoa Haven	0.68592	0.7846	(0.0987)	3,328,596	3.230	1,030,525	(101,733)	(251,663)	(353,396)
3	503	Taloyoak	0.60063	0.9463	(0.3457)	2,623,200	3.190	822,320	(284,278)	(220,062)	(504,340)
4	504	Pelly Bay	0.64923	0.8338	(0.1846)	1,541,700	3.395	454,109	(83,815)	(128,807)	(212,622)
5	505	Coppermine	0.50290	0.7727	(0.2698)	4,654,594	3.496	1,331,406	(359,173)	(314,948)	(674,121)
6	601	Rankin Inlet	0.43349	0.5213	(0.0878)	12,288,539	3.637	3,378,757	(296,713)	(158,533)	(455,246)
7	602	Baker Lake	0.53156	0.6631	(0.1316)	6,074,400	3.399	1,787,114	(235,161)	(395,287)	(630,448)
8	603	Arviat	0.43349	0.5161	(0.0826)	6,128,640	3.356	1,826,174	(150,925)	(112,640)	(263,565)
9	604	Coral Harbour	0.53086	0.6580	(0.1272)	2,611,800	3.398	768,629	(97,731)	(124,936)	(222,667)
10	605	Chesterfield Inlet	0.43349	0.5484	(0.1149)	1,443,600	3.180	453,962	(52,155)	(44,236)	(96,391)
11	606	Whale Cove	0.51742	0.6428	(0.1254)	1,300,383	3.363	386,674	(48,496)	(52,888)	(101,384)
12	607	Repulse Bay	0.42370	0.6774	(0.2537)	2,076,200	3.332	623,109	(158,058)	(121,374)	(279,432)
13	701	Iqaluit	0.34820	0.4828	(0.1346)	43,696,828	3.645	11,988,156	(1,613,046)	(1,543,671)	(3,156,717)
14	702	Pangnirtung	0.43804	0.5032	(0.0651)	5,186,150	3.297	1,572,991	(102,441)	10,311	(92,130)
15	703	Cape Dorset	0.43804	0.4932	(0.0552)	4,613,800	3.519	1,311,111	(72,373)	(31,877)	(104,250)
16	704	Resolute Bay	0.63130	0.5801	0.0512	3,002,776	3.314	906,088	46,394	11,573	57,967
17	705	Pond Inlet	0.43996	0.5137	(0.0737)	4,701,203	3.608	1,302,994	(96,096)	6,306	(89,790)
18	706	Igloolik	0.33956	0.4613	(0.1218)	3,239,680	3.425	945,892	(115,189)	(89,828)	(205,017)
19	707	Hall Beach	0.42349	0.5366	(0.1131)	2,211,045	3.491	633,356	(71,645)	(6,151)	(77,796)
20	708	Broughton Island	0.43804	0.4932	(0.0552)	2,126,700	3.051	697,050	(38,477)	(79,427)	(117,904)
21	709	Lake Harbour	0.43804	0.5068	(0.0688)	1,691,850	3.330	508,063	(34,929)	(48,898)	(83,827)
22	710	Arctic Bay	0.43804	0.5179	(0.0799)	2,326,847	3.089	753,269	(60,171)	(121,310)	(181,481)
23	711	Clyde River	0.33956	0.4624	(0.1228)	2,749,859	3.324	827,274	(101,622)	(106,931)	(208,553)
24	712	Grise Fiord	0.49470	0.6184	(0.1237)	968,047	3.335	290,269	(35,900)	(18,413)	(54,313)
25	713	Saniqiluaq	0.57250	0.6662	(0.0937)	2,506,572	3.449	726,753	(68,119)	(140,396)	(208,515)
26											
27			0.48107	0.60837	(0.12730)	129,795,734		37,279,621	(4,826,302)	(4,535,772)	(9,362,074)

Qulliq Energy Corporation
Rate Stabilization Fund
Year Ended March 31, 2004

Appendix K
Table 8.2.3

Line No.	Plant No.	Plant	Fuel Price Budget	Fuel Price Actual	Fuel Price Variance	Actual Diesel Generation kWh	Approved Efficiency	Fuel Requirement	Deficiency 2003/04	March 31, 2003 Balance Forward	March 31, 2004 Balance
1	501	Cambridge Bay	0.50450	0.80948	(0.3050)	7,250,040	3.431	2,113,098	(644,453)	(1,046,133)	(1,690,586)
2	502	Gjoa Haven	0.68592	0.77839	(0.0925)	3,520,764	3.230	1,090,020	(100,794)	(353,396)	(454,191)
3	503	Taloyoak	0.60063	0.88022	(0.2796)	2,688,900	3.190	842,915	(235,671)	(504,340)	(740,011)
4	504	Pelly Bay	0.64923	0.82780	(0.1786)	2,070,000	3.395	609,720	(108,878)	(212,622)	(321,500)
5	505	Coppermine	0.50290	0.76242	(0.2595)	4,943,961	3.496	1,414,176	(367,007)	(674,121)	(1,041,128)
6	601	Rankin Inlet	0.43349	0.51961	(0.0861)	13,092,378	3.637	3,599,774	(310,013)	(455,246)	(765,259)
7	602	Baker Lake	0.53156	0.66323	(0.1317)	6,726,400	3.399	1,978,935	(260,566)	(630,448)	(891,014)
8	603	Arviat	0.43349	0.52717	(0.0937)	6,306,160	3.356	1,879,070	(176,031)	(263,565)	(439,596)
9	604	Coral Harbour	0.53086	0.65049	(0.1196)	2,702,400	3.398	795,291	(95,141)	(222,667)	(317,808)
10	605	Chesterfield Inlet	0.43349	0.52773	(0.0942)	1,506,600	3.180	473,774	(44,648)	(96,391)	(141,040)
11	606	Whale Cove	0.51742	0.63701	(0.1196)	1,360,410	3.363	404,523	(48,377)	(101,384)	(149,761)
12	607	Repulse Bay	0.42370	0.64452	(0.2208)	2,272,273	3.332	681,955	(150,589)	(279,432)	(430,021)
13	701	Iqaluit	0.34820	0.47168	(0.1235)	44,400,392	3.645	12,181,178	(1,504,132)	(3,156,717)	(4,660,848)
14	702	Pangnirtung	0.43804	0.49978	(0.0617)	5,011,400	3.297	1,519,988	(93,844)	(92,130)	(185,975)
15	703	Cape Dorset	0.43804	0.48701	(0.0490)	4,785,300	3.519	1,359,847	(66,592)	(104,250)	(170,842)
16	704	Resolute Bay	0.63130	0.57425	0.0570	3,558,621	3.314	1,073,814	61,261	57,967	119,228
17	705	Pond Inlet	0.43996	0.50788	(0.0679)	4,960,094	3.608	1,374,749	(93,373)	(89,790)	(183,163)
18	706	Igloolik	0.33956	0.46946	(0.1299)	4,628,480	3.425	1,351,381	(175,544)	(205,017)	(380,561)
19	707	Hall Beach	0.42349	0.53056	(0.1071)	2,367,137	3.491	678,068	(72,601)	(77,796)	(150,397)
20	708	Broughton Island	0.43804	0.48764	(0.0496)	2,116,500	3.051	693,707	(34,408)	(117,904)	(152,312)
21	709	Lake Harbour	0.43804	0.50207	(0.0640)	1,748,030	3.330	524,934	(33,612)	(83,827)	(117,439)
22	710	Arctic Bay	0.43804	0.51317	(0.0751)	2,421,801	3.089	784,008	(58,903)	(181,481)	(240,384)
23	711	Clyde River	0.33956	0.42556	(0.0860)	2,761,552	3.324	830,792	(71,448)	(208,553)	(280,001)
24	712	Grise Fiord	0.49470	0.61795	(0.1233)	976,436	3.335	292,784	(36,086)	(54,313)	(90,399)
25	713	Saniqiluaq	0.57250	0.66066	(0.0882)	2,511,601	3.449	728,211	(64,199)	(208,515)	(272,714)
26											
27			0.48107	0.59903	(0.11796)	136,687,630.00		39,276,713	(4,785,647)	(9,362,074)	(14,147,722)
28											
29	GN Contribution March 2004										4,000,000
											(10,147,722)
30	GN Contribution Receivable										10,000,000
31											
32	Rate Stabilization Fund Balance Forward April 1, 2004										(147,722)

Qulliq Energy Corporation
Rate Stabilization Fund
Period Ending July 31, 2004

Appendix K
Table 8.3.1

Line No.	Plant No.	Plant	Fuel Price Budget	Fuel Price Actual	Fuel Price Variance	Actual Diesel Generation kWh	Approved Efficiency	Fuel Requirement	Deficiency to July 31, 2004
1	501	Cambridge Bay	0.5045	0.8088	(0.3043)	2,393,568	3.4310	697,630	(212,260)
2	502	Gjoa Haven	0.6859	0.7660	(0.0801)	1,057,959	3.2300	327,542	(26,230)
3	503	Taloyoak	0.6006	0.9111	(0.3104)	795,802	3.1900	249,468	(77,443)
4	504	Kugaaruk	0.6492	0.8151	(0.1659)	618,104	3.3950	182,063	(30,199)
5	505	Kugluktuk	0.5029	0.7615	(0.2586)	1,522,563	3.4960	435,516	(112,612)
6	601	Rankin Inlet	0.4335	0.5174	(0.0839)	4,029,989	3.6370	1,108,053	(92,953)
7	602	Baker Lake	0.5316	0.6503	(0.1187)	2,186,085	3.3990	643,155	(76,368)
8	603	Arviat	0.4335	0.5310	(0.0976)	2,271,817	3.3560	676,942	(66,036)
9	604	Coral Harbour	0.5309	0.6393	(0.1084)	849,912	3.3980	250,121	(27,123)
10	605	Chesterfield Inlet	0.4335	0.5377	(0.1042)	482,166	3.1800	151,624	(15,805)
11	606	Whale Cove	0.5174	0.6249	(0.1075)	447,737	3.3630	133,136	(14,309)
12	607	Repulse Bay	0.4237	0.6587	(0.2350)	674,533	3.3320	202,441	(47,574)
13	701	Iqaluit	0.3482	0.4698	(0.1216)	15,021,959	3.6450	4,121,251	(501,144)
14	702	Pangnirtung	0.4380	0.4874	(0.0494)	1,845,588	3.2970	559,778	(27,631)
15	703	Cape Dorset	0.4380	0.4746	(0.0366)	1,518,199	3.5190	431,429	(15,773)
16	704	Resolute Bay	0.6313	0.5609	0.0704	1,157,893	3.3140	349,394	24,597
17	705	Pond Inlet	0.4400	0.4950	(0.0550)	1,429,180	3.6080	396,114	(21,802)
18	706	Igloolik	0.3396	0.5167	(0.1771)	1,435,949	3.4250	419,255	(74,267)
19	707	Hall Beach	0.4235	0.5041	(0.0806)	744,287	3.4910	213,202	(17,186)
20	708	Qikiqtarjuaq	0.4380	0.4746	(0.0366)	662,154	3.0510	217,029	(7,935)
21	709	Kimmirut	0.4380	0.4747	(0.0367)	532,869	3.3300	160,021	(5,866)
22	710	Arctic Bay	0.4380	0.4992	(0.0612)	746,315	3.0890	241,604	(14,777)
23	711	Clyde River	0.3396	0.4696	(0.1300)	902,702	3.3240	271,571	(35,315)
24	712	Grise Fiord	0.4947	0.6184	(0.1237)	302,974	3.3350	90,847	(11,238)
25	713	Saniqiluaq	0.5725	0.6120	(0.0395)	822,679	3.4490	238,527	(9,422)
26									
27			0.4811	0.5951	(0.1141)	44,452,985		12,767,713	(1,516,669)

Qulliq Energy Corporation
Rate Stabilization Fund Forecast
Period Ending March 31, 2005

Appendix K
Table 8.3.2

Line No.	Plant No.	Plant	Fuel Price Budget	Fuel Price Actual	Fuel Price Variance	Actual Diesel Generation kWh	Approved Efficiency	Fuel Requirement	Deficiency to March 31, 2005	July 31, 2004 Balance Forward	March 31, 2005 Balance
1	501	Cambridge Bay	0.5045	0.8865	(0.3820)	5,701,013	3.4310	1,661,619	(634,738)	(212,260)	(846,998)
2	502	Gjoa Haven	0.6859	0.8724	(0.1865)	2,519,854	3.2300	780,140	(145,481)	(26,230)	(171,710)
3	503	Taloyoak	0.6006	0.9247	(0.3241)	1,895,447	3.1900	594,184	(192,557)	(77,443)	(270,000)
4	504	Kugaaruk	0.6492	0.9250	(0.2758)	1,472,204	3.3950	433,639	(119,585)	(30,199)	(149,783)
5	505	Kugluktuk	0.5029	0.8865	(0.3836)	3,626,449	3.4960	1,037,314	(397,914)	(112,612)	(510,525)
6	601	Rankin Inlet	0.4335	0.5740	(0.1405)	9,598,652	3.6370	2,639,167	(370,829)	(92,953)	(463,783)
7	602	Baker Lake	0.5316	0.7486	(0.2170)	5,206,829	3.3990	1,531,871	(332,477)	(76,368)	(408,846)
8	603	Arviat	0.4335	0.5720	(0.1385)	5,411,026	3.3560	1,612,344	(223,326)	(66,036)	(289,361)
9	604	Coral Harbour	0.5309	0.7369	(0.2060)	2,024,327	3.3980	595,741	(122,746)	(27,123)	(149,870)
10	605	Chesterfield Inlet	0.4335	0.5785	(0.1450)	1,148,425	3.1800	361,140	(52,369)	(15,805)	(68,174)
11	606	Whale Cove	0.5174	0.7215	(0.2041)	1,066,424	3.3630	317,105	(64,715)	(14,309)	(79,024)
12	607	Repulse Bay	0.4237	0.7576	(0.3339)	1,606,607	3.3320	482,175	(160,998)	(47,574)	(208,572)
13	701	Iqaluit	0.3482	0.5730	(0.2248)	35,779,392	3.6450	9,816,020	(2,206,641)	(501,144)	(2,707,785)
14	702	Pangnirtung	0.4380	0.5743	(0.1363)	4,395,834	3.2970	1,333,283	(181,673)	(27,631)	(209,304)
15	703	Cape Dorset	0.4380	0.5606	(0.1226)	3,616,054	3.5190	1,027,580	(125,940)	(15,773)	(141,713)
16	704	Resolute Bay	0.6313	0.6530	(0.0217)	2,757,877	3.3140	832,190	(18,059)	24,597	6,539
17	705	Pond Inlet	0.4400	0.5825	(0.1425)	3,404,030	3.6080	943,467	(134,482)	(21,802)	(156,284)
18	706	Igloolik	0.3396	0.6057	(0.2661)	3,420,152	3.4250	998,585	(265,763)	(74,267)	(340,030)
19	707	Hall Beach	0.4235	0.5922	(0.1687)	1,772,748	3.4910	507,805	(85,672)	(17,186)	(102,858)
20	708	Qikiqtarjuaq	0.4380	0.5606	(0.1226)	1,577,123	3.0510	516,920	(63,354)	(7,935)	(71,288)
21	709	Kimmirut	0.4380	0.5608	(0.1228)	1,269,192	3.3300	381,139	(46,789)	(5,866)	(52,655)
22	710	Arctic Bay	0.4380	0.5870	(0.1490)	1,777,579	3.0890	575,454	(85,720)	(14,777)	(100,496)
23	711	Clyde River	0.3396	0.5553	(0.2157)	2,150,062	3.3240	646,830	(139,547)	(35,315)	(174,862)
24	712	Grise Fiord	0.4947	0.6766	(0.1819)	721,624	3.3350	216,379	(39,359)	(11,238)	(50,597)
25	713	Saniqiluaq	0.5725	0.7457	(0.1732)	1,959,460	3.4490	568,124	(98,399)	(9,422)	(107,821)
26											
27			0.4811	0.6805	(0.1994)	105,878,382		30,410,213	(6,309,132)	(1,516,669)	(7,825,802)
28					41.4%						
29	April 1, 2004 Opening Balance Net of GN Contributions										(147,722)
30											
31	Forecast Rate Stabilization Fund Balance March 31, 2005										(7,973,524)

Qulliq Energy Corporation
Rate Stabilization Fund
Year Ended March 31, 2002

Appendix K
Table 8.2.1

Line No.	Plant No.	Plant	Fuel Price Budget	Fuel Price Actual	Fuel Price Variance	Actual Diesel Generation kWh	Approved Efficiency	Fuel Requirement	Deficiency 2001/02	Amount Collected	March 31, 2001 Balance Forward	March 31, 2002 Balance
1	501	Cambridge Bay	0.50450	0.7769	(0.2724)	6,713,100	3.431	1,956,602	(532,908)	220,205	(138,982)	(451,685)
2	502	Gjoa Haven	0.68592	0.9703	(0.2844)	3,280,800	3.230	1,015,728	(288,856)	100,834	(63,641)	(251,663)
3	503	Taloyoak	0.60063	0.9115	(0.3109)	2,598,000	3.190	814,420	(253,196)	89,831	(56,696)	(220,062)
4	504	Pelly Bay	0.64923	0.9422	(0.2930)	1,726,500	3.395	508,542	(148,994)	54,727	(34,541)	(128,807)
5	505	Coppermine	0.50290	0.7937	(0.2908)	4,529,707	3.496	1,295,683	(376,749)	167,550	(105,749)	(314,948)
6	601	Rankin Inlet	0.43349	0.5191	(0.0856)	12,211,333	3.637	3,357,529	(287,525)	349,712	(220,719)	(158,533)
7	602	Baker Lake	0.53156	0.8057	(0.2742)	5,833,600	3.399	1,716,269	(470,580)	204,127	(128,834)	(395,287)
8	603	Arviat	0.43349	0.5531	(0.1196)	5,104,587	3.356	1,521,033	(181,872)	187,694	(118,463)	(112,640)
9	604	Coral Harbour	0.53086	0.7449	(0.2140)	2,658,300	3.398	782,313	(167,432)	115,209	(72,714)	(124,936)
10	605	Chesterfield Inlet	0.43349	0.5451	(0.1116)	1,399,200	3.180	440,000	(49,090)	13,159	(8,305)	(44,236)
11	606	Whale Cove	0.51742	0.7022	(0.1848)	1,215,306	3.363	361,376	(66,768)	37,631	(23,750)	(52,888)
12	607	Repulse Bay	0.42370	0.6703	(0.2466)	1,938,723	3.332	581,850	(143,492)	59,964	(37,846)	(121,374)
13	701	Iqaluit	0.34820	0.5318	(0.1836)	42,101,880	3.645	11,550,584	(2,120,747)	1,564,513	(987,438)	(1,543,671)
14	702	Pangnirtung	0.43804	0.4738	(0.0358)	5,007,600	3.297	1,518,835	(54,329)	175,245	(110,605)	10,311
15	703	Cape Dorset	0.43804	0.5096	(0.0715)	4,450,200	3.519	1,264,621	(90,458)	158,821	(100,239)	(31,877)
16	704	Resolute Bay	0.63130	0.6562	(0.0249)	2,994,334	3.314	903,541	(22,523)	92,439	(58,343)	11,573
17	705	Pond Inlet	0.43996	0.4788	(0.0388)	4,510,808	3.608	1,250,224	(48,544)	148,703	(93,854)	6,306
18	706	Igloolik	0.33956	0.4998	(0.1602)	3,112,320	3.425	908,707	(145,620)	151,256	(95,465)	(89,828)
19	707	Hall Beach	0.42349	0.4758	(0.0523)	2,281,119	3.491	653,429	(34,171)	75,964	(47,945)	(6,151)
20	708	Broughton Island	0.43804	0.6033	(0.1653)	2,016,300	3.051	660,865	(109,209)	80,742	(50,960)	(79,427)
21	709	Lake Harbour	0.43804	0.5779	(0.1398)	1,655,730	3.330	497,216	(69,533)	55,944	(35,309)	(48,898)
22	710	Arctic Bay	0.43804	0.6472	(0.2091)	2,214,300	3.089	716,834	(149,910)	77,537	(48,937)	(121,310)
23	711	Clyde River	0.33956	0.5139	(0.1743)	2,667,934	3.324	802,628	(139,902)	89,388	(56,417)	(106,931)
24	712	Grise Fiord	0.49470	0.6050	(0.1103)	909,421	3.335	272,690	(30,080)	31,631	(19,964)	(18,413)
25	713	Saniqiluaq	0.57250	0.8192	(0.2467)	2,365,049	3.449	685,720	(169,174)	78,020	(49,242)	(140,396)
26												
27			0.48107	0.65309	(0.17202)	125,496,151		36,037,237	(6,151,660)	4,380,846	(2,764,958)	(4,535,772)

Qulliq Energy Corporation
Rate Stabilization Fund
Year Ended March 31, 2003

Appendix K
Table 8.2.2

Line No.	Plant No.	Plant	Fuel Price Budget	Fuel Price Actual	Fuel Price Variance	Actual Diesel Generation kWh	Approved Efficiency	Fuel Requirement	Deficiency 2002/03	March 31, 2002 Balance Forward	March 31, 2003 Balance
1	501	Cambridge Bay	0.50450	0.8088	(0.3043)	6,702,725	3.431	1,953,578	(594,448)	(451,685)	(1,046,133)
2	502	Gjoa Haven	0.68592	0.7846	(0.0987)	3,328,596	3.230	1,030,525	(101,733)	(251,663)	(353,396)
3	503	Taloyoak	0.60063	0.9463	(0.3457)	2,623,200	3.190	822,320	(284,278)	(220,062)	(504,340)
4	504	Pelly Bay	0.64923	0.8338	(0.1846)	1,541,700	3.395	454,109	(83,815)	(128,807)	(212,622)
5	505	Coppermine	0.50290	0.7727	(0.2698)	4,654,594	3.496	1,331,406	(359,173)	(314,948)	(674,121)
6	601	Rankin Inlet	0.43349	0.5213	(0.0878)	12,288,539	3.637	3,378,757	(296,713)	(158,533)	(455,246)
7	602	Baker Lake	0.53156	0.6631	(0.1316)	6,074,400	3.399	1,787,114	(235,161)	(395,287)	(630,448)
8	603	Arviat	0.43349	0.5161	(0.0826)	6,128,640	3.356	1,826,174	(150,925)	(112,640)	(263,565)
9	604	Coral Harbour	0.53086	0.6580	(0.1272)	2,611,800	3.398	768,629	(97,731)	(124,936)	(222,667)
10	605	Chesterfield Inlet	0.43349	0.5484	(0.1149)	1,443,600	3.180	453,962	(52,155)	(44,236)	(96,391)
11	606	Whale Cove	0.51742	0.6428	(0.1254)	1,300,383	3.363	386,674	(48,496)	(52,888)	(101,384)
12	607	Repulse Bay	0.42370	0.6774	(0.2537)	2,076,200	3.332	623,109	(158,058)	(121,374)	(279,432)
13	701	Iqaluit	0.34820	0.4828	(0.1346)	43,696,828	3.645	11,988,156	(1,613,046)	(1,543,671)	(3,156,717)
14	702	Pangnirtung	0.43804	0.5032	(0.0651)	5,186,150	3.297	1,572,991	(102,441)	10,311	(92,130)
15	703	Cape Dorset	0.43804	0.4932	(0.0552)	4,613,800	3.519	1,311,111	(72,373)	(31,877)	(104,250)
16	704	Resolute Bay	0.63130	0.5801	0.0512	3,002,776	3.314	906,088	46,394	11,573	57,967
17	705	Pond Inlet	0.43996	0.5137	(0.0737)	4,701,203	3.608	1,302,994	(96,096)	6,306	(89,790)
18	706	Igloolik	0.33956	0.4613	(0.1218)	3,239,680	3.425	945,892	(115,189)	(89,828)	(205,017)
19	707	Hall Beach	0.42349	0.5366	(0.1131)	2,211,045	3.491	633,356	(71,645)	(6,151)	(77,796)
20	708	Broughton Island	0.43804	0.4932	(0.0552)	2,126,700	3.051	697,050	(38,477)	(79,427)	(117,904)
21	709	Lake Harbour	0.43804	0.5068	(0.0688)	1,691,850	3.330	508,063	(34,929)	(48,898)	(83,827)
22	710	Arctic Bay	0.43804	0.5179	(0.0799)	2,326,847	3.089	753,269	(60,171)	(121,310)	(181,481)
23	711	Clyde River	0.33956	0.4624	(0.1228)	2,749,859	3.324	827,274	(101,622)	(106,931)	(208,553)
24	712	Grise Fiord	0.49470	0.6184	(0.1237)	968,047	3.335	290,269	(35,900)	(18,413)	(54,313)
25	713	Saniqiluaq	0.57250	0.6662	(0.0937)	2,506,572	3.449	726,753	(68,119)	(140,396)	(208,515)
26											
27			0.48107	0.60837	(0.12730)	129,795,734		37,279,621	(4,826,302)	(4,535,772)	(9,362,074)

Qulliq Energy Corporation
Rate Stabilization Fund
Year Ended March 31, 2004

Appendix K
Table 8.2.3

Line No.	Plant No.	Plant	Fuel Price Budget	Fuel Price Actual	Fuel Price Variance	Actual Diesel Generation kWh	Approved Efficiency	Fuel Requirement	Deficiency 2003/04	March 31, 2003 Balance Forward	March 31, 2004 Balance
1	501	Cambridge Bay	0.50450	0.80948	(0.3050)	7,250,040	3.431	2,113,098	(644,453)	(1,046,133)	(1,690,586)
2	502	Gjoa Haven	0.68592	0.77839	(0.0925)	3,520,764	3.230	1,090,020	(100,794)	(353,396)	(454,191)
3	503	Taloyoak	0.60063	0.88022	(0.2796)	2,688,900	3.190	842,915	(235,671)	(504,340)	(740,011)
4	504	Pelly Bay	0.64923	0.82780	(0.1786)	2,070,000	3.395	609,720	(108,878)	(212,622)	(321,500)
5	505	Coppermine	0.50290	0.76242	(0.2595)	4,943,961	3.496	1,414,176	(367,007)	(674,121)	(1,041,128)
6	601	Rankin Inlet	0.43349	0.51961	(0.0861)	13,092,378	3.637	3,599,774	(310,013)	(455,246)	(765,259)
7	602	Baker Lake	0.53156	0.66323	(0.1317)	6,726,400	3.399	1,978,935	(260,566)	(630,448)	(891,014)
8	603	Arviat	0.43349	0.52717	(0.0937)	6,306,160	3.356	1,879,070	(176,031)	(263,565)	(439,596)
9	604	Coral Harbour	0.53086	0.65049	(0.1196)	2,702,400	3.398	795,291	(95,141)	(222,667)	(317,808)
10	605	Chesterfield Inlet	0.43349	0.52773	(0.0942)	1,506,600	3.180	473,774	(44,648)	(96,391)	(141,040)
11	606	Whale Cove	0.51742	0.63701	(0.1196)	1,360,410	3.363	404,523	(48,377)	(101,384)	(149,761)
12	607	Repulse Bay	0.42370	0.64452	(0.2208)	2,272,273	3.332	681,955	(150,589)	(279,432)	(430,021)
13	701	Iqaluit	0.34820	0.47168	(0.1235)	44,400,392	3.645	12,181,178	(1,504,132)	(3,156,717)	(4,660,848)
14	702	Pangnirtung	0.43804	0.49978	(0.0617)	5,011,400	3.297	1,519,988	(93,844)	(92,130)	(185,975)
15	703	Cape Dorset	0.43804	0.48701	(0.0490)	4,785,300	3.519	1,359,847	(66,592)	(104,250)	(170,842)
16	704	Resolute Bay	0.63130	0.57425	0.0570	3,558,621	3.314	1,073,814	61,261	57,967	119,228
17	705	Pond Inlet	0.43996	0.50788	(0.0679)	4,960,094	3.608	1,374,749	(93,373)	(89,790)	(183,163)
18	706	Igloolik	0.33956	0.46946	(0.1299)	4,628,480	3.425	1,351,381	(175,544)	(205,017)	(380,561)
19	707	Hall Beach	0.42349	0.53056	(0.1071)	2,367,137	3.491	678,068	(72,601)	(77,796)	(150,397)
20	708	Broughton Island	0.43804	0.48764	(0.0496)	2,116,500	3.051	693,707	(34,408)	(117,904)	(152,312)
21	709	Lake Harbour	0.43804	0.50207	(0.0640)	1,748,030	3.330	524,934	(33,612)	(83,827)	(117,439)
22	710	Arctic Bay	0.43804	0.51317	(0.0751)	2,421,801	3.089	784,008	(58,903)	(181,481)	(240,384)
23	711	Clyde River	0.33956	0.42556	(0.0860)	2,761,552	3.324	830,792	(71,448)	(208,553)	(280,001)
24	712	Grise Fiord	0.49470	0.61795	(0.1233)	976,436	3.335	292,784	(36,086)	(54,313)	(90,399)
25	713	Saniqiluaq	0.57250	0.66066	(0.0882)	2,511,601	3.449	728,211	(64,199)	(208,515)	(272,714)
26											
27			0.48107	0.59903	(0.11796)	136,687,630.00		39,276,713	(4,785,647)	(9,362,074)	(14,147,722)
28											
29	GN Contribution March 2004										4,000,000
											(10,147,722)
30	GN Contribution Receivable										10,000,000
31											
32	Rate Stabilization Fund Balance Forward April 1, 2004										(147,722)

Qulliq Energy Corporation
Rate Stabilization Fund
Period Ending July 31, 2004

Appendix K
Table 8.3.1

Line No.	Plant No.	Plant	Fuel Price Budget	Fuel Price Actual	Fuel Price Variance	Actual Diesel Generation kWh	Approved Efficiency	Fuel Requirement	Deficiency to July 31, 2004
1	501	Cambridge Bay	0.5045	0.8088	(0.3043)	2,393,568	3.4310	697,630	(212,260)
2	502	Gjoa Haven	0.6859	0.7660	(0.0801)	1,057,959	3.2300	327,542	(26,230)
3	503	Taloyoak	0.6006	0.9111	(0.3104)	795,802	3.1900	249,468	(77,443)
4	504	Kugaaruk	0.6492	0.8151	(0.1659)	618,104	3.3950	182,063	(30,199)
5	505	Kugluktuk	0.5029	0.7615	(0.2586)	1,522,563	3.4960	435,516	(112,612)
6	601	Rankin Inlet	0.4335	0.5174	(0.0839)	4,029,989	3.6370	1,108,053	(92,953)
7	602	Baker Lake	0.5316	0.6503	(0.1187)	2,186,085	3.3990	643,155	(76,368)
8	603	Arviat	0.4335	0.5310	(0.0976)	2,271,817	3.3560	676,942	(66,036)
9	604	Coral Harbour	0.5309	0.6393	(0.1084)	849,912	3.3980	250,121	(27,123)
10	605	Chesterfield Inlet	0.4335	0.5377	(0.1042)	482,166	3.1800	151,624	(15,805)
11	606	Whale Cove	0.5174	0.6249	(0.1075)	447,737	3.3630	133,136	(14,309)
12	607	Repulse Bay	0.4237	0.6587	(0.2350)	674,533	3.3320	202,441	(47,574)
13	701	Iqaluit	0.3482	0.4698	(0.1216)	15,021,959	3.6450	4,121,251	(501,144)
14	702	Pangnirtung	0.4380	0.4874	(0.0494)	1,845,588	3.2970	559,778	(27,631)
15	703	Cape Dorset	0.4380	0.4746	(0.0366)	1,518,199	3.5190	431,429	(15,773)
16	704	Resolute Bay	0.6313	0.5609	0.0704	1,157,893	3.3140	349,394	24,597
17	705	Pond Inlet	0.4400	0.4950	(0.0550)	1,429,180	3.6080	396,114	(21,802)
18	706	Igloolik	0.3396	0.5167	(0.1771)	1,435,949	3.4250	419,255	(74,267)
19	707	Hall Beach	0.4235	0.5041	(0.0806)	744,287	3.4910	213,202	(17,186)
20	708	Qikiqtarjuaq	0.4380	0.4746	(0.0366)	662,154	3.0510	217,029	(7,935)
21	709	Kimmirut	0.4380	0.4747	(0.0367)	532,869	3.3300	160,021	(5,866)
22	710	Arctic Bay	0.4380	0.4992	(0.0612)	746,315	3.0890	241,604	(14,777)
23	711	Clyde River	0.3396	0.4696	(0.1300)	902,702	3.3240	271,571	(35,315)
24	712	Grise Fiord	0.4947	0.6184	(0.1237)	302,974	3.3350	90,847	(11,238)
25	713	Saniqiluaq	0.5725	0.6120	(0.0395)	822,679	3.4490	238,527	(9,422)
26									
27			0.4811	0.5951	(0.1141)	44,452,985		12,767,713	(1,516,669)

Qulliq Energy Corporation
Rate Stabilization Fund Forecast
Period Ending March 31, 2005

Appendix K
Table 8.3.2

Line No.	Plant No.	Plant	Fuel Price Budget	Fuel Price Actual	Fuel Price Variance	Actual Diesel Generation kWh	Approved Efficiency	Fuel Requirement	Deficiency to March 31, 2005	July 31, 2004 Balance Forward	March 31, 2005 Balance
1	501	Cambridge Bay	0.5045	0.8865	(0.3820)	5,701,013	3.4310	1,661,619	(634,738)	(212,260)	(846,998)
2	502	Gjoa Haven	0.6859	0.8724	(0.1865)	2,519,854	3.2300	780,140	(145,481)	(26,230)	(171,710)
3	503	Taloyoak	0.6006	0.9247	(0.3241)	1,895,447	3.1900	594,184	(192,557)	(77,443)	(270,000)
4	504	Kugaaruk	0.6492	0.9250	(0.2758)	1,472,204	3.3950	433,639	(119,585)	(30,199)	(149,783)
5	505	Kugluktuk	0.5029	0.8865	(0.3836)	3,626,449	3.4960	1,037,314	(397,914)	(112,612)	(510,525)
6	601	Rankin Inlet	0.4335	0.5740	(0.1405)	9,598,652	3.6370	2,639,167	(370,829)	(92,953)	(463,783)
7	602	Baker Lake	0.5316	0.7486	(0.2170)	5,206,829	3.3990	1,531,871	(332,477)	(76,368)	(408,846)
8	603	Arviat	0.4335	0.5720	(0.1385)	5,411,026	3.3560	1,612,344	(223,326)	(66,036)	(289,361)
9	604	Coral Harbour	0.5309	0.7369	(0.2060)	2,024,327	3.3980	595,741	(122,746)	(27,123)	(149,870)
10	605	Chesterfield Inlet	0.4335	0.5785	(0.1450)	1,148,425	3.1800	361,140	(52,369)	(15,805)	(68,174)
11	606	Whale Cove	0.5174	0.7215	(0.2041)	1,066,424	3.3630	317,105	(64,715)	(14,309)	(79,024)
12	607	Repulse Bay	0.4237	0.7576	(0.3339)	1,606,607	3.3320	482,175	(160,998)	(47,574)	(208,572)
13	701	Iqaluit	0.3482	0.5730	(0.2248)	35,779,392	3.6450	9,816,020	(2,206,641)	(501,144)	(2,707,785)
14	702	Pangnirtung	0.4380	0.5743	(0.1363)	4,395,834	3.2970	1,333,283	(181,673)	(27,631)	(209,304)
15	703	Cape Dorset	0.4380	0.5606	(0.1226)	3,616,054	3.5190	1,027,580	(125,940)	(15,773)	(141,713)
16	704	Resolute Bay	0.6313	0.6530	(0.0217)	2,757,877	3.3140	832,190	(18,059)	24,597	6,539
17	705	Pond Inlet	0.4400	0.5825	(0.1425)	3,404,030	3.6080	943,467	(134,482)	(21,802)	(156,284)
18	706	Igloolik	0.3396	0.6057	(0.2661)	3,420,152	3.4250	998,585	(265,763)	(74,267)	(340,030)
19	707	Hall Beach	0.4235	0.5922	(0.1687)	1,772,748	3.4910	507,805	(85,672)	(17,186)	(102,858)
20	708	Qikiqtarjuaq	0.4380	0.5606	(0.1226)	1,577,123	3.0510	516,920	(63,354)	(7,935)	(71,288)
21	709	Kimmirut	0.4380	0.5608	(0.1228)	1,269,192	3.3300	381,139	(46,789)	(5,866)	(52,655)
22	710	Arctic Bay	0.4380	0.5870	(0.1490)	1,777,579	3.0890	575,454	(85,720)	(14,777)	(100,496)
23	711	Clyde River	0.3396	0.5553	(0.2157)	2,150,062	3.3240	646,830	(139,547)	(35,315)	(174,862)
24	712	Grise Fiord	0.4947	0.6766	(0.1819)	721,624	3.3350	216,379	(39,359)	(11,238)	(50,597)
25	713	Saniqiluaq	0.5725	0.7457	(0.1732)	1,959,460	3.4490	568,124	(98,399)	(9,422)	(107,821)
26											
27			0.4811	0.6805	(0.1994)	105,878,382		30,410,213	(6,309,132)	(1,516,669)	(7,825,802)
28					41.4%						
29	April 1, 2004 Opening Balance Net of GN Contributions										(147,722)
30											
31	Forecast Rate Stabilization Fund Balance March 31, 2005										(7,973,524)

QULLIQ ENERGY CORPORATION

TERMS AND CONDITIONS OF SERVICE

Effective Date: _____

Approved URRC Decision _____

QULLIQ ENERGY CORPORATION

TERMS AND CONDITIONS OF SERVICE

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TERMS AND CONDITIONS OF SERVICE

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TERMS AND CONDITIONS OF SERVICE

1.0 Introduction

1.1 Approval:

These Terms and Conditions of Service (hereinafter referred to as the "Terms") have been recommended by the Utility Rates Review Council of Nunavut and approved by the Responsible Minister (hereinafter referred to as the "Committee" and the “Minister” respectively), and may not be changed without the recommendation of the Committee and the approval of the Minister.

1.2 Effective Date:

These Terms come into force on _____and replace the Corporation's previous Terms. Whenever the Committee recommends and the Minister approves an amendment to these Terms, revisions will be issued, with the effective date of the amendments indicated on the top of each affected page.

2.0 Definitions

The following words or phrases, when used in these Terms and Conditions of Service, or Customers' Application(s) for Service shall, unless the context otherwise requires, have the following meanings:

2.1 Applicant:

Refers to any person, business, partnership, individual owner, corporation, organization, association (as well as, without limiting, individual repesentatives of such association) or other operation which requests Service from the Corporation.

2.2 Billing Adjustment:

Refers to the correction of a customer’s account for a prior over or under-billing.

2.3 Billing Demand

Refers to the Demand upon which billing to a Customer is based and may be

estimated or measured by an approved Demand Meter. Unless otherwise specified in the Corporation Rate Schedule, the Demand shall be the greater of the current month's demand or the maximum Demand experienced during the 12-month period ending with the current billing period for determination of Demand Charges. The Billing Demand shall not be less than 5 kW per month. All references in the Rate Schedules to a measurement in "kW" at a particular rate shall be deemed to include a reference to "kVA" measured at the same rate and vice versa.

2.4 Commercial:

Refers to a classification of Service other than Domestic or any Municipal or Private Area Street Lighting. This classification is also inclusive of without limiting;

a) a single family residence where a business is operated within the confines of the residence and the entire residence is supplied through one meter,
b) a common area used by an associated group of residents (for example, utility, mechanical, laundry rooms),
c) a multiple unit residence supplied through one meter (for example, duplex), and
d) service provided to a Government Customer.

2.5 Connected Load:

Refers to the sum of the capacities or ratings of the electric energy consuming apparatus connected to a supplying system.

2.6 Construction Contribution:

The difference between the capital cost incurred by the Corporation by installing the Corporation's Facilities to serve a Customer and the Maximum Corporation Investment specified in Schedule A.

2.7 Corporation:

Refers to Qulliq Energy Corporation and any of its employees, agents, or contractors.

2.8 Corporation Facilities:

Refers to the physical plant which is owned by the Corporation inclusive of, without limiting to:

(a) the electrical energy production plant,

(b) transmission and distribution systems,

(c) transformers, meters, equipment and machinery used in the production transmission and distribution of Energy.

2.9 Customer:

Refers to any person, business, partnership, individual owner, corporation, organization, association, or other organization which Service from the Corporation is being or has been provided, whether or not:

a) the person or organization did not request Service from the Corporation; or

b) the name or signature of the person or organization appears on a written application for Service or Customer Service Order

c) and includes an Applicant to which the Corporation has chosen to begin providing Service.

2.10 Customer Service Charge:

Refers to that portion of the charge for Service, excluding any Facilities Charge, which does not vary with the level of Demand or Energy consumption. This charge is assessed to partially offset the various fixed costs associated with the provision of Service such as service lines, meter reading and billing of accounts.

2.11 Customer Facilities:

Refers to the equipment which is supplied to the Customer, to allow for the attachment of Corporation Facilities for the delivery of Energy. The equipment is to be installed in accordance with appropriate statutes, regulations, standards and codes.

2.12 Customer Service Order (CSO):

Refers to an agreement between the Corporation and the Customer for the supply of Service pursuant to these Terms and Conditions of Service.

2.13 Demand:

Refers to the rate at which electric Energy is delivered by the Corporation to a Customer expressed in kilowatts (kW), kilovolt amperes (kVA) or other suitable unit, at a given instant or averaged over any designated period of time. At the Corporation's sole discretion and acting reasonably, the Corporation may install a Demand meter if the Customer's consumption exceeds 36,000 kWh annually.

2.14 Demand Charge:

Refers to that portion of the charge for Service based upon the electric Demand (measured in units of kW or kVA) consumed and billed on the basis of Billing Demand at the applicable rate.

2.15 Electricity:

Refers to electric power, and includes both Electric Energy and Demand.

2.16 Energy:

Refers to, as the context requires:

a) Electric Energy expressed in kilowatt-hours (kWh); and

b) Thermal (Heat) Energy which is supplied to or through a heating system by hot water, hot air, steam or glycol expressed in kilowatt-hours ($kWh_{T)}$) or gigajoules (Gj), as per standard utility practice.

2.17 Energy Charge:

Refers to that portion of the charge for Service which is based upon the Energy consumed or billed.

2.18 Facilities Charge:

Refers to all sums not collected through Demand, Energy, and Customer Charges charged to a Customer's account to recover:

a) the costs associated with the dedication of Corporation Facilities to that Customer;

b) all other charges arranged by agreement with the Customer, other than Energy Charges, Demand Charges and Customer Charges.

2.19 Fuel Stabilization Rider (FSR):

Refers to a specific charge billed under certain circumstances dependent on the price of fuel. The charge of the FSR will change in accordance with charges in the Corporation's fuel calculated on a unit basis by reference to kWh sales.

2.20 Gigajoule (GJ):

Refers to the standard unit of energy in the SI or metric system of measurement.

2.21 Government Customer:

Refers to a Customer whose account for Service is payable or funded by a federal, territorial or municipal authority; but does not include a User Pay Customer.

2.22 Industrial:

Refers to a classification of a business, for which the primary business is resource exploration, development, manufacturing or mining. In the sole opinion of the Corporation acting reasonably, the business is anticipated to demand an excess average of 1000 kWh of energy per month.

2.23 Interruptible Service:

Refers to the Electric Service provided by the Corporation to a Customer under agreements, which permit curtailment or cessation of delivery by the Corporation.

2.24 Joint Use Service:

Means the provision by the Corporation of leased space on existing Corporation transmission and distribution poles, where sufficient space is available, to electrical and communication utilities in areas in which the Corporation provides Service. Authorization by the Corporation and a signed Service Agreement is necessary prior to leasing the space.

2.25 Load Factor:

Refers to the ratio of the average demand (in kW) supplied during a designated period to the peak or maximum load (in kW) occurring in the period. Load Factor, when expressed as a percentage during a period, is the ratio of the total energy

consumed during the period (in kWh) to the maximum load (in kWh) during the period.

2.26 Maximum Corporate Investment:

Refers to the maximum available investment dollars by the Corporation, which is set forth in Schedule A.

2.27 Multiple Unit Dwelling:

Refers to a residential building containing more than one residential dwelling unit.

2.28 Municipal Street Lighting Service:

Refers to the supply of Electricity to Municipal Street Lighting by the Corporation in communities serviced by the Corporation and includes, without limitation, the installation, operation and maintenance of standard street lighting on wood poles and serviced by overhead wiring.

2.29 Point of Delivery:

Means, unless otherwise specified in an accepted application for Service or an agreement or contract, the point at which the Facilities required to provide Service are connected to Customer Facilities.

2.30 Primary Service:

Refers to the service of Electricity provided at primary voltage levels by the Corporation, to an end-use Customer. All secondary transformation and distribution are provided by the Customer and remain the Customer's responsibility.

2.31 Private Area Lighting Service:

Refers to the Service of supplying Electricity to off-street and area lighting by the Corporation in communities serviced by the Corporation and may include the purchase, installation and energizing of the area lighting.

2.32 Rate Schedules:

Refers to the summary of regulated rates which are prepared by the Corporation

pursuant to the Utility Rates Review Council Act and approved by the Responsible Minister.

2.33 Residential Service:

Refers to Service provided to a detached family residence or a single unit residence in a multiple unit residential building, through a single meter that does not service another unit in the multiple unit. To be classified as Residential, the detached single family residence or individual unit in a Multiple Unit must be used exclusively as a residence and must not be used for Industrial or Commercial purposes.

2.34 Seasonal Service:

At the sole discretion of the Corporation acting reasonably, refers to Service that is anticipated to be connected and disconnected on a seasonal basis at the Customer's repeated request.

2.35 Service:

Refers to the delivery of Energy or the making available of Energy, for delivery at the point of delivery.

2.36 Short Term Temporary Service:

At the sole discretion of the Corporation acting reasonably, refers to Service that is required for a period of 12 months or less, and will not be required again for a period of at least 12 months.

2.37 Temporary Construction Service:

Refers to a meter situated in a temporary location to provide Service during the construction or renovation of a building.

2.38 TMI:

Refers to a Time and Materials Invoice used to bill for costs up to $10,000.00, incurred for work undertaken by the Corporation in relation to a maintenance agreement or other arrangement between a Customer and the Corporation.

2.39 User Pay Customer:

Refers to a subsidized rate for a Domestic Service Customer, residing as a tenant in a unit which is owned or leased by the Nunavut Housing Corporation, or Community Housing Authority, or Association, with the exception of staff houses.

3.0 Agreement

3.1 Application:

These Terms and Condition of Service apply to the Corporation and to every Applicant and Customer.

3.2 Contract:

Notwithstanding the provisions of Section 3.1, and with the approval of the Responsible Minister, the Corporation may enter into special contractual arrangements with a Customer on terms and conditions of service, which may differ from these Terms and Conditions of Service.

3.3 Resale:

Without the prior written consent of the Corporation, a Customer may not sell, exchange or otherwise dispose of Energy provided by the Corporation.

3.4 Ownership:

The Corporation retains ownership of all Facilities used to provide Service to a Customer, whether or not Facilities are located on lands owned by the Corporation, and whether or not the capital cost of such Facilities were in whole or in part paid by the Customer.

Unless a contract between the Corporation and the Customer specifically provides otherwise, payment made by a Customer for costs incurred by the Corporation in installing Facilities does not entitle the Customer to ownership of any such facilities.

3.5 Customer Generation:

A Customer must sign an agreement with the Corporation if the Customer wishes to use Service:

a) in parallel operation with; or
b) as supplementary, auxiliary or stand-by Service to any other source of Energy.

Retail stand-by service to back-up customer self-generation may be provided by the Corporation where surplus capacity is available. The Utility Rates Review Council shall recommend and the Responsible Minister shall approve the rates for such service.

3.6 Frequency and Voltage Levels:

The Corporation will make all reasonable efforts to supply Electricity at 60-Hertz alternating current. The voltage levels and variations will comply with those specified as "standard" by the Canadian Standards Association. Not all standard voltages may be available at a particular location.

4.0 Application for Service

4.1 General:

In order for the Corporation to provide the requested Service, Applicants will be required by the Corporation to supply information in writing respecting their connected load, preferred supply conditions, lot number or street address, location of building on lot, and any other pertinent information upon request by the Corporation, such as credit information or references. An Applicant will also be required to sign a Customer Service Order (CSO) and enter into a written contract for Service.

For a new electric Service location, The Customer must confirm that the Corporation is in receipt of the applicable permit and connection authorization directly from the applicable Electrical Safety Division of the Government of the Nunavut.

Prior to connecting any Service, the Corporation will inform the Applicant of any special conditions that must be satisfied and the satisfaction of any such conditions shall be a prerequisite to the Corporation commencing Service.

Not withstanding anything in section 4.1, these Terms and Conditions of Service apply to the Customer, whether or not a Customer has signed a Customer Service Order or contract for Service and the rates applicable to the Service supplied by the Corporation will apply to any Customer receiving Service from the Corporation.

4.2 TMI Deposit:

Where an Applicant or Customer is required by these Terms and Conditions to pay a TMI Deposit, the TMI Deposit will be per the miscellaneous Fees/Charges in Schedule C attached hereto.

4.3 Service Connection:

Where the Corporation does not have linemen based in a community, a Service connection in the Community will be completed during the Corporation's next scheduled maintenance work in the community following the date that the Corporation agrees to provide the Service connection.

If the Customer requests that Service commence earlier than the Corporation's next scheduled maintenance work in the Community, the Customer will be required to sign a TMI for the cost, as estimated by the Corporation, of connecting the Service at an earlier date, and must provide a TMI Deposit prior to the date any work respecting the Service connection is commenced by the Corporation. After the work is completed, the Corporation will make any adjustments necessary to the TMI to reflect the Corporation's actual cost of performing the work. The Customer will pay any additional amounts owing under the TMI, or the Corporation will refund any excess amounts paid by the Customer, as applicable. The Corporation will not commence providing Service until all amounts owing to the Corporation under the TMI are paid in full.

4.4 Short-Term Temporary Service:

Where an Applicant requests Short-Term Temporary Service, or the Corporation in its sole discretion acting reasonably, believes that Service requested by an Applicant will be Short-Term Temporary Service, the Applicant shall, prior to the Corporation commencing any work on the Service connection, pay the Corporation's total cost as estimated by the Corporation of installation and removal of the required Corporation Facilities, plus the cost of unsalvageable material as follows**:**

a) At the time the Applicant submits request for Service, the Applicant must sign a TMI and provide a TMI deposit.
b) Following the termination of Service the Customer shall be reimbursed or invoiced for the difference between the TMI deposit paid and the aggregate of the actual cost of construction, plus the cost of unsalvageable material, plus the removal costs as estimated by the Corporation.
c) Following the removal of the Corporation Facilities required to provide Service to the Customer, the Customer will be reimbursed or invoiced for the difference between the estimated costs and the actual Corporation Facilities removal costs.

4.5 Rejection of Application for Service:

The Corporation may, in its sole discretion acting reasonably, reject any Applicant for Service when:

a) the type or quantity of Service requested is not available or normally provided by the Corporation in the locality where Service is requested; or
b) the Applicant or Customer does not have currently in force all permits or other authorization that may be required for the connection; or
c) the Corporation determines at its sole discretion acting reasonably that the Applicant is not credit-worthy, or a previous or other account held by the Applicant with the Corporation is in arrears; or
d) the Applicant fails to provide a security deposit or letter of credit from a suitable institution in a form and substance acceptable to the Corporation; or
e) the Corporation requires a separate contract due to the unique nature of service conditions; or

f) any representation made by any Applicant to the Corporation for the purpose of obtaining Service is, in the Corporation's opinion acting reasonably, fraudulent or misleading; or

g). the Applicant has not, after being requested by the Corporation to do so, provided a signed written Customer Service Order or contract for service, or has refused to sign these documents in person**.**

5.0 Charges for Service

5.1 Connection Fee:

Whenever a Service connection is made, the Customer shall pay a non-refundable connection fee as per Schedule C attached hereto.

If the Corporation agrees to make a connection other than during the Corporation's normal schedule for such work, the Corporation may charge by way of a TMI in addition to the amount set out in Schedule C (attached hereto) its cost to make the connection, but in no event may the Corporation charge in excess of the Corporation's actual cost to make the connection. The connection fee will be included in the Customer's first billing.

5.2 Reconnection:

When the Corporation receives an Application for the relocation of Service or is requested to reconnect or restore Service to a Customer whose Service was previously discontinued by the Customer, terminated by the Corporation or restricted by a current-limiting device, the Customer shall pay**:**

a) all amounts owing to the Corporation, which shall include, if reconnection occurs within 12 months and billed at rates where Demand Charges apply, the Demand Charge in effect immediately prior to disconnection for each month of the interval between disconnection and reconnection;

b) a reconnection charge as per Schedule C attached hereto if the reconnection is made during the Corporation's normal schedule for such work, or in any other case, an amount not exceeding the Corporation's actual cost of reconnection; and

c) the security deposit required under Sections 5.7 and 5.8.

5.3 Application of Rate Schedules:

The Customer shall pay the charges for Service as set forth and contained in the applicable Rate Schedules in effect from time to time.

Where a Customer is receiving service for both Residential and Commercial Services, the Commercial Service rate applicable in the Service area will be charged in respect of all Energy provided to the Customer at the Customer's Point of Delivery. Provided, however, that if the customer installs, to the Corporation's satisfaction, separate meters to record the amount of Energy used for each of Residential and Commercial Services, then the Corporation's applicable Commercial Service rate will apply to the energy consumed under Commercial Service and the Corporation's applicable Residential Service Rate will apply to the Energy consumed under Residential Service.

Residential Service rates applicable in the Service area will apply to Temporary Construction Service where a Customer is building his/her own single family residence. At the sole discretion of the Corporation acting reasonably, a Customer will be entitled to only one such Service per community.

Commercial Service rates applicable in the Service area will be applied to Temporary Construction Service provided to a contractor/developer for the building of homes other than the contractor's/developers private residence.

Commercial Service rates applicable in the Service area will be applied to Temporary Construction Service respecting non-residential construction projects.

5.4 Power Amplifier Boxes:

Service provided for power amplifier boxes shall be billed at the Commercial Service rate applicable in the service area assuming continuous use of the power amplifier box at its maximum rated consumption. At the Customer's request, and after the Customer has installed a CSA approved meter receptacle, the Corporation will

install a meter. Power Amplifier Boxes affixed to Corporation's Facilities are a Joint Use Service and shall be charged for in accordance with Section 8.0. Service provided in respect of the power amplifier box will be billed based on actual consumption recorded by the meter.

5.5 Power Bill Copying Charge:

A service charge of $1 plus GST per page will be charged to Customers who request copies of a previous month's bill. A service charge of $2 plus GST per page will be charged for copies that are sent to a Customer by fax.

5.6 Changes in Service Requirements:

Where the purpose for which a Customer uses all or a portion of the Service provided by the Corporation changes from one classification to another, the Customer will immediately notify the Corporation of the change. When the Corporation is so notified, or when the Corporation believes on reasonable grounds that the purpose has changed, the Corporation will calculate the Customer's bill on the basis of the rate which the Corporation, acting reasonably in the circumstances, determines to be applicable to the Service commencing in the next billing period.

5.7 Security Deposit:

The Corporation will require a security deposit as a pre-condition to Service where:

a) credit worthiness has not been established by an Applicant for Service to the satisfaction of the Corporation; or
b) accounts are in arrears for previous Service to the Applicant by the Corporation;
c) Service is to be reconnected which has been discontinued for reasons of non-payment of accounts;
d) the Service to be provided will be Short-Term Temporary Service; or
e) the Customer becomes bankrupt or enters receivership, or steps have been taken to terminate its existence as a legal entity.

5.8 Amount of Security Deposit:

A security deposit, when payable, shall be in a form and substance acceptable to the Corporation in the following amounts:

a) Residential Service:

For Customers with less than one year of previous billing history with the Corporation, an amount as per Schedule C attached hereto.

For Customers with at least one year of previous billing history with the Corporation, an amount calculated by the Corporation, equal to the average billing during the three months having the highest billings, during the most recent 12 months of the Customer's billing history with the Corporation.

Where the Customer has less than 12 months but greater than 3 months of billing history with the Corporation, the security deposit will be equal to the average monthly billings during the 3 months of highest billings to the Customer during the Customer's billing history with the Corporation.

As an alternative to a security deposit, the Corporation may, at its sole discretion acting reasonably, accept from an Applicant for Residential Service proof of a good credit history with the Corporation or another utility service within the last 12 months in another plant's service area or a letter of credit from a chartered bank.

c) User Pay Customer:

Please refer to Schedule C, attached hereto.

c) Commercial, Short-Term Temporary, and Industrial Customers Service**:**

A Customer at a location with less than one year of previous billing history with the Corporation, an amount, as estimated by the Corporation, equal to the sum of the billings for the two months during which the Corporation forecasts the highest consumption of Energy at the Customer's Service location during the next 12 month period or $300.00.

For a Customer at a location with at least one year of previous billing history with the Corporation, an amount as calculated by the Corporation, equal to the sum of the billings for the two months having the highest Energy consumption during the most recent 12 month period; or $300.00.

As an alternative to a security deposit, the Corporation, at its sole discretion acting reasonably, may accept from an Applicant a letter of credit from a chartered bank.

The Corporation has the right to immediately issue a 48 hour notice of disconnection to a Customer if the Customer's cheque for a security deposit is not honored by the Customer's financial institution.

5.9 Interest and Refund of Deposits:

The Corporation will pay simple interest on the security deposit from the date the deposit is paid, at an annual rate of interest equal to the Daily Interest Savings rate in effect at the end of each month as posted by the Canadian Imperial Bank of Commerce. Such interest will be credited monthly to the Customer's security deposit account for each full month that the security deposit is held by the Corporation.

Security deposits will be applied to the Customer's account after 1 continuous year of good credit history with the Corporation, or when the Customer is disconnected from Service other than for default in payment of accounts. Upon request from the Customer, security deposit and interest will first be applied to the Customer's account to cover any balance owing. The remaining credit on a closed account will then be refunded to the Customer.

5.10 Use of Security Deposits

If a Customer fails to pay an amount billed, and collection action has been initiated by the Corporation, the Corporation may apply all or any portion of a Customer's security deposit toward payment of the amount(s) in arrears, including interest.
When the Corporation has taken this step, the Customer may be required to pay a security deposit as required under Sections 5.7 and 5.8, or to pay to the Corporation

the amount deducted from the Customer's security deposit.

Upon termination of Service, the Corporation may apply all or any portion of a Customer's Security Deposit, including interest, toward payment of any amount due and owing by that Customer.

5.11 Customer Complaint Process

Customers may submit in writing a formal complaint to the Corporation when a grievance arises out of an interpretation or application of these Terms and Conditions of Service.

a) First Level (Manager of Customer Service)
b) Second Level (Director of Finance)

A decision will be determined in accordance of the policies and procedures based on these Terms and Conditions of Service.

6.0 Municipal Street Lighting Service

6.1 Street Lighting Service Conditions:

The Corporation shall be responsible for the provision of Energy to the street lights. The Corporation shall also be responsible for normal maintenance of the luminaires, photo electric cell replacement and lens cleaning and replacement.

The Corporation shall not be responsible for excessive damage due to vandalism. (see Section 6.3 below)

6.2 Maintenance Adjustment:

Upon being notified in writing of an outage of a streetlight:

a) Where the Corporation has linemen based in the community in which the outage occurred, the Corporation will use reasonable efforts to carry out maintenance to restore Service within one week of having received such notice. Should the Corporation be unable to carry out the maintenance

required to restore the streetlight within one week of having received written notice, a credit towards the monthly rental applicable to the streetlight shall be made by the Corporation based on the length of the outage.

b) Where the Corporation does not have linemen based in the community maintenance will be carried out during the next regularly scheduled maintenance trip to the community following the Corporation's receipt of such notice. If the Corporation has been unable to carry out the maintenance required to restore the streetlight within three (3) months after being notified of the outage, a credit towards the monthly rental applicable to the streetlight shall be made by the Corporation based upon the length of the outage.

c) If a Customer requests that the Corporation carry out maintenance work prior to the Corporation's next regularly scheduled maintenance trip, the Customer will be billed for the Corporation's costs of performing such maintenance by way of a TMI, and a TMI deposit must be paid by the Customer before maintenance work will commence. After the maintenance work is complete, the Customer will be invoiced or refunded the difference between the Corporation's actual cost to complete the maintenance work and the TMI deposit.

6.3 Vandalism:

The Corporation will absorb the maintenance costs associated with the repair of vandalized streetlight to a maximum annually in each community of one streetlight or 1% of the total number of luminaires in the community, whichever is greater.

Repetitive breakage or extreme breakage at one time shall not be absorbed by the Corporation. Vandalism of this type shall be reported to the Local Authority, outlining the extent of the damage and the estimated cost of repair. Providing the Local Authority agrees in writing to absorb these costs, the Corporation shall effect repairs and restore Service. Otherwise, the street light laminaire(s) shall be removed and billing shall be immediately discontinued.

6.4 Application for Street Lighting Service:

Municipal and/or local government authorities requesting Municipal Street Lighting Service shall do so in writing to the appropriate Corporation office. The request shall specify the number, type and size (Watts) of luminaires required, and is accompanied by a suitable plan indicating the location where each laminaire is to be installed. The Corporation shall not bear any responsibility in regard to the adequacy of lighting resulting from the number, type and size of luminaires requested.

The Corporation shall review the Municipal and/or Local Authority's request and advise the Authority in writing of present charges for the Street Lighting Service requested and if any additional charges shall be applied due to unusual installation circumstances (see Section 6.6).

6.5 Installation:

Upon receiving written approval from the appropriate authority to proceed, the Corporation shall purchase, ship, install and energize the street light luminaires at a time during the normal course of its maintenance schedules. Billing shall commence immediately after the installation is completed.

6.6 Non-Standard Service:

Charges for Municipal Street Lighting Service are based upon the installation of luminaires on existing wood poles provided for distribution of overhead Service in the community. Should additional wood poles, transformers, secondary or other facilities be required, the cost of providing and installing the additional facilities is the responsibility of the Customer. Maintenance costs associated with non-standard installation will remain the Customer’s responsibility.

Should non-wood poles and/or underground wiring be required, this may be done by the Corporation at the cost of the Customer. Maintenance costs associated with non-standard installation will remain the Customer’s responsibility.

7.0 Private Area Lighting Service

7.1 Application for Service:

Customers requesting Private Area Lighting Service shall do so in writing to an appropriate office of the Corporation. The request shall specify the number, type and size (Watts) of luminaires required and is accompanied by a suitable plan indicating the location where each luminaire is to be installed and identifying the Customer's power source for each fixture. The Customer is responsible for ensuring that the Corporation has received all applicable permits and connection authorization directly from the applicable Electrical Safety Division.

7.2 Installation:

The Corporation shall review the Customer's request and advise in writing, in a timely manner, the estimated cost of providing this installation.

Upon receiving payment for the estimated cost of the installation, in advance, from the Customer, the Corporation shall purchase, ship, install and energize the area lighting. Any difference between the estimated cost and the actual cost incurred by the Corporation shall be either invoiced or refunded to the Customer.

Power supply for Private Area Lighting Service may be from the Customer's metered distribution panel, or at the option of the Corporation, from a separate power supply.

7.3 Rates Classification:

Where separate metering is in place for Private Area Lighting Service, the rate classification shall be that associated with the classification of Service being provided to the Customer.

Where the Private Area Lighting Service is not metered, the Corporation will charge monthly fixed rates as determined in accordance with its Rates Schedules.

7.4 Ownership:

The Corporation shall not purchase, lease, or otherwise become the owner of Private Area Lighting Facilities. Subject to Section 7.5 the Customer shall be responsible for all maintenance of the Facilities.

7.5 Maintenance:

The Corporation may enter into a maintenance agreement for facilities for Private Area Lighting Service provided that the Customer signs a TMI and provides a TMI deposit prior to maintenance work commencing. Any difference between the TMI deposit paid and the actual cost incurred by the Corporation shall be either invoiced or refunded to the Customer.

8.0 Joint Use Service

Joint Use Service shall, by separate agreement, be made available to electrical or communication utilities in areas in which the Corporation provides Service, for leasing of space on existing Corporation transmission and distribution poles, where sufficient space is available, and in accordance with specific terms and conditions outlined in a contract with each Joint Use Customer.

9.0 Service Conditions

9.1 Point of Delivery:

Any Point of Delivery for Service shall be at a location approved by the Corporation in writing or on an appropriate form submitted prior to construction.

When metering is appropriate, Service shall be provided to the Customer through a single meter and each individual unit within a multiple dwelling building will be served as a separate Point of Delivery, unless the Corporation agrees otherwise.

Where the Corporation and a Customer have agreed that Service to a Multiple Unit Dwelling shall be delivered through a single Point of Delivery, the applicable Commercial Service rates will apply to the Service.

All meters and associated equipment connected to the Point of Delivery shall be owned and maintained by the Corporation.

9.2 Mobile Homes and Multiple Unit Dwellings:

Service shall normally be provided to mobile homes and units of a Multiple Unit Dwelling through separate Points of Delivery, based on the applicable Residential Service rates.

Where a common Point of Delivery exists for a number of mobile homes or units of Multiple Unit Dwelling, billing shall be at the applicable Commercial Service rates.

Service provided to common use areas (e.g., laundry facilities) for a number of mobile homes or units of Multiple Unit Dwelling shall be separately metered and billed at the applicable Commercial Service rates.

9.3 Customer Facilities:

The Customer shall, at their own cost, provide and maintain, in good repair and condition, in a location, approved by the Corporation, suitable accommodation for the Corporation Facilities required for the supply of Service at the Point of Delivery. All Customer Facilities from the Point of Delivery into the Customer's premises shall be provided and maintained by the Customer in accordance with applicable statutes, regulations, standards and codes and any directions given by the Corporation. The Customer shall be responsible for providing suitable devices to protect the Customer's service entrance and equipment connected thereto from overload, single phasing and abnormal voltage or supply conditions.

The Corporation is entitled to limit the size and nature of equipment installed by a Customer at a service location in order to control voltage fluctuations if, in the Corporation's opinion, acting reasonably the equipment could adversely affect the Corporation's Facilities or operations.

9.4 Interference

The Customer shall not interfere with any Corporation Facilities.

9.5 Delay in Taking Service:

If, with respect to an application to extend Corporation Facilities to any Point of Delivery, the Corporation has reason to believe that the provision of Service to that Point of Delivery will not be taken within 30 days after Service is available, then the Customer shall pay, as a precondition of Service to such Point of Delivery, the amount of the Maximum Corporation's investment as determined in accordance with Schedule A for the type of Service provided.

Upon commencement of Service and payment by the Customer for Service, the additional amount paid by the Customer on account of the Corporation's investment shall be refunded.

9.6 Customer Extensions:

A Customer shall not extend Customer Facilities beyond property owned or occupied by the Customer.

9.7 Extension of Service:

Subject to Section 9.6 of these Terms and Conditions**,** if the Corporation's estimated cost of extending Customer Facilities at the request of a Customer is less than the Maximum Corporation Investment specified in Schedule A for the type of Service to be provided, the Customer will not be required to make any construction contribution.

In all other cases, an agreement providing for payment of the extension charges in excess of the Maximum Corporation Investment in respect of such extension, calculated in accordance with Schedule A, shall be a precondition to the Corporation's commencement of work on such extension.

If the Corporation determines that it is necessary to install Corporation Facilities to provide a requested Service that are different from the Facilities that the Corporation

typically installs to provide Service, the Customer will pay the costs for such materials and equipment.

9.8 Underground Service Extensions:

The extension of underground distribution facilities shall be undertaken subject to the conditions set out in Schedule B and shall be subject to the Maximum Corporation Investment and required Customer Construction Contributions as determined in accordance with Schedule A.

9.9 Conversion from Overhead to Underground Service:

When a Customer requests that existing Corporation Facilities be converted from overhead to underground, the Customer shall pay, in advance, the estimated cost to be incurred by the Corporation in connection with the conversion, including but not limited to the following:

a) the original capital cost of the existing Corporation Facilities being removed, less accumulated amortization; plus
b) the estimated cost of removing the existing Corporation Facilities, less the estimated salvage value; plus
c) the estimated cost for the installation of the new underground Corporation Facilities, less any applicable increase in the Maximum Corporation Investment calculated in accordance with Schedule A.

Any difference between actual and estimated costs shall be invoiced or refunded to the Customer without interest.

9.10 Relocation of Facilities:

If the Customer wishes to relocate any Corporation Facilities, the Customer shall provide an alternate location and valid permit satisfactory to the Corporation and shall pay to the Corporation, in advance, the estimated costs of the relocation. Upon completion of the relocation, any difference between the actual and the estimated costs shall be invoiced or refunded to the Customer.

10.0 Rights of Way and Access to Facilities

10.1 Easements:

The Customer shall grant, or cause to be granted, to the Corporation, without cost to the Corporation, such easements or rights-of-way over, upon or under the property owned or controlled by the Customer as the Corporation reasonably requires to provide Service to such Customer.

10.2 Right of Entry:

The Corporation's employees or agents will have the right to enter a Customer's property at all reasonable times for the purpose of installing, maintaining, monitoring and removing the Corporation's Facilities and for any other purpose incidental to the provision of Service.

The Corporation shall have the right to enter a Customer's property at any time for the purpose of dealing with any emergency situation relating to or posing a threat to persons, property, Corporation Facilities, and/or the provision of Service.

After termination of the Service to any Customer, the Corporation shall have the right, at reasonable times, to enter onto the Customer's land and premises to remove the Corporation's Facilities.

The Customer shall provide the Corporation with reasonable access to Corporation Facilities located on the Customer's property.

10.3 Access to Meters:

The Customer shall provide and maintain reasonable access to the Corporation to all metering equipment for the purpose of changing, servicing and reading such equipment. Where the Customer's Service address or location is generally locked during normal business hours, the Customer shall provide the Corporation with a key to permit access to the meter and an accessible location to install a key storage box.

If the Corporation informs a Customer that reasonable access to metering equipment is not being provided, then the Customer must take immediate action to remedy the situation. If the Customer fails to remedy the situation within a reasonable time the Corporation, at its sole discretion may estimate consumption until the situation has been remedied in which case the Customer shall be billed on the basis of the Corporation's estimates; or

a) remedy the situation on behalf of the Customer and apply the costs to the Customer's next regular billing; or
b) discontinue Service in accordance with Section 16 of these Terms and Conditions of Service; or
c) Both a) and b).

11.0 Metering

11.1 Installation:

The Corporation shall provide, install and seal all meters necessary for any measurement in connection with the Service supplied to a Customer, unless otherwise specifically provided in a contract with the Customer.

Any metering equipment used by the Corporation shall be installed, connected, operated and tested in accordance with the applicable statutes, regulations, standards, and codes.

Each Customer shall provide and install a Measurements Canada approved meter receptacle or other facilities suitable for the installation of the Corporation's meter or metering equipment.

The Corporation may replace meters from time to time at its discretion.

11.2 Location:

The Corporation and the Customer will determine a reasonable location for a meter, and the Customer will make the location available for the installation of the meter.

In selecting a meter location, the parties will, among other things, have regard for applicable statutes, regulations, standards and codes, the type of Service required and convenience of access to the meter. The Customer will ensure that the meter is reasonably accessible to the Corporation.

Meter receptacles shall be installed on the exterior of single family detached and Multiple Unit Dwellings, row housing and other similar dwellings. Where more than one meter is to be installed, the meters shall be grouped in a suitable location on the exterior of the building.

Meter receptacles shall also be installed on the exterior of buildings that are closed during normal working hours such as churches, arenas, sewage stations, summer cottages, seasonal commercial buildings, etc.

Meter receptacles shall not be installed in locations that are not readily accessible or likely to become inaccessible by the construction of fences, garages, or other types of structures.

Meter receptacles installed on the exterior of buildings shall be located and maintained at a point not less than 1.6 metres or more than 1.8 metres above finished grade (measurement taken to meter face).

Meter receptacles installed in pedestals for trailer courts or parks shall be located at a point not less than 1.6 metres or more than 1.8 metres above finished grade (measurement taken to meter face). In the case of single meter pedestals, the meter receptacle shall be installed such that it faces the road.

Meter receptacles may be installed indoors for Customers receiving Commercial Service unless they are components of approved metering modules and shall be installed at a height not less than 1.2 metres or more than 1.8 metres above the finished floor (measurement taken to meter face).

Meter receptacles installed on switchboards in multiple unit dwellings may be installed at a minimum height of 45 cm above the finished floor provided the room in which the switchboard is located is used solely as a mechanical or electrical room. Meter receptacles must be permanently labeled in a manner acceptable to the Corporation, to identify the actual dwelling serviced. Where a meter is installed on a Customer-owned pole, the pole shall be provided and maintained by the Customer as required by the Canadian Electrical Code and any other applicable legislation.

If the Corporation informs a Customer that meter receptacles have not been installed and maintained within these guidelines, then the Customer must take immediate action to remedy the situation. The Corporation may discontinue Service to a Customer if the Customer fails to remedy the situation within the time provided for in the notice to the Customer, or the Corporation may, following notice to the Customer, move the meter to a location acceptable to the Corporation and include the costs associated with moving the meter to the Customer's next regular bill.

11.3 Meter Tests and Adjustments:

A meter may be inspected by the Corporation at any reasonable time, and shall be inspected and tested upon the written request of a Customer, provided the request is accompanied by a meter handling deposit of $40 plus GST. Meters shall be tested or calibrated by an official designated by the Department of Measurement Canada and Corporate Affairs (Canada) or such other government department as may from time to time be charged with that responsibility.

In the event that the test of the meter discloses that it is not accurate within the limits prescribed by the Electricity and Gas Inspection Act S.C. 1980-81-82-83, the handling deposit paid by the Customer shall be refunded to the Customer and the billings to the Customer based upon readings of the inaccurate meter shall be adjusted to correct for the error. Unless an examination of past meter readings or other information discloses the time at which the error commenced, then the error shall be deemed to have commenced on the date which is three months prior to the date of the testing of the meter or the date upon which the meter was installed or last tested, whichever occurred later.

In the event that the test of the meter discloses that it is accurate within the limits prescribed by the Electricity and Gas Inspection Act S.C. 1980-81-82-83, and regulations, standards or guidelines thereunder, The Corporation shall charge the Customer a handling fee equal to the Corporation's actual cost of having the meter tested less the handling fee deposit paid by the Customer.

11.4 Energy or Demand Diversion:

If under any circumstance a person prevents a meter from accurately recording the total Demand or Energy supplied, the Corporation may disconnect the Service without notice and take other appropriate actions.

The Corporation may then estimate the Demand and amount of Energy supplied but not registered at the Point of Delivery. The Customer shall pay the Corporation for the cost of the estimated Demand and Energy consumption plus all costs related to the investigation and resolution of the Service diversion.

12.0 Meter Reading and Billing

12.1 Meter Readings and Estimates:

In the case of metered Service, the invoices for Service provided to the Customer shall be based upon actual meter readings. In circumstances where the Corporation is not able to obtain meter readings for any reason including, without limitation, dogs, locked doors, weather conditions, vandalized equipment, or equipment failure, invoices for Service shall be based upon meter readings estimated by the Corporation. These estimates will be adjusted if and when actual meter readings are obtained.

Should the meter reading be disputed, the Customer shall pay the amount described as owing in the invoice. Upon certification of the meter reading, the Corporation will make all necessary adjustments.

12.2 Billing Adjustment

a) Over -billing:

The Corporation will refund to the Customer any amount which the Corporation incorrectly collected for the entire duration of the over-billing on the Customer's next bill following the discovery of the over-billing. If the duration of the over-billing cannot be determined with reasonable accuracy, the amount refunded will be the amount of the over-billing for the 3 months prior to the discovery of the over-billing.

b) Under-billing:

The Corporation will invoice the Customer for any amount which the Corporation incorrectly did not collect from the Customer for the entire duration of the under-billing. If the duration of the under-billing cannot be determined with reasonable accuracy, the amount invoiced will be the amount of the under-billing for the 3 months prior to discovery of the under-billing.

Notwithstanding the above; the adjustment period for under-billing will be for the entire period, regardless of the length of time, if the Customer has tampered with the meter or the Corporation Facilities, or has otherwise used Service provided by the Corporation in an unauthorized way.

In all cases of adjustments to under-billed accounts, The Corporation shall determine reasonable terms of repayment. The repayment shall be interest free and in equal installments corresponding to the Corporations normal billing cycle. Section 12.6 of these Terms dealing with late payment charges will apply if the repayment schedule is not adhered to.

Adjustments for over-billing or under-billing will not be made to closed accounts with positive or negative balances of $5.00 or less.

12.3 Payment of Accounts:

Accounts in respect of charges for Service shall be sent on a regular basis to Customers by the Corporation and the accounts become payable:

a) where the accounts are delivered by hand to the Customer the day they are so delivered; or

b) where the accounts are sent by mail to the Customer, 21 days following the billing date on the invoice; or,

c) where the accounts are faxed or delivered by electronic mail, 24 hours after they are sent.

Failure to receive a bill does not relieve a Customer from the obligation to pay the amount owing for any Service provided by the Corporation.

Should any billing by the Corporation be disputed, the Customer shall pay the amount described as owing in the invoice. Upon certification of the billed amounts, the Corporation will make all necessary adjustments.

In addition to payments for Service, the Customer is required to pay to the Corporation the amount of any tax or assessment levied by any tax authority on Service provided to the Customer (e.g., Goods and Services Tax).

12.4 Collections Administration Fee:

The Corporation shall commence collection action when accounts are past due. When collection action is initiated, an administration fee for initiating the collection action of $25 plus GST will be assessed to the Customer's account to partially recover the administrative cost of said action.

12.5 Proration of Initial and Final Billings

An amount payable to the Corporation for a Customer Service Charge, Demand Charge or Facilities Charge will not be pro-rated. These charges shall be applied in full for any initial or final billings. The Corporation may, at its sole discretion, choose to waive these charges for billings of less than seven days where there has been no consumption of electricity by the Customer.

Final Billing charges totalling less than $5.00 will not be billed to a customer.

12.6 Late Payment Charge

The Corporation shall, in addition to other charges, impose a late payment charge computed at a rate of one and one-half (1 1/2) per cent per month on the balance in arrears, for accounts which are not paid within 7 days after the account becomes payable.

12.7 Dishonoured Payments:

An additional administrative charge will be assessed to reflect the administrative cost of $20.00 plus GST for processing any dishonoured payment. Dishonoured payments include cheques returned by the Customer's bank for any reason such as non-sufficient funds (NSF), stale dated, body and figures differ, unsigned, closed account, cheque cannot be traced, etc.

Following the receipt of three (3) dishonoured payments from a Customer, the Corporation shall notify the Customer that only cash, a money order or certified cheque will be accepted for payment.

12.8 Outstanding Charges:

The Corporation may add to the Customer's bill any outstanding charges owing to the Corporation (e.g., other outstanding account balances, construction contribution, account receivable charges, etc.).

When a Customer’s meter is disconnected due to non-payment and the Customer refuses to pay the outstanding balance, the Corporation may proceed with further collection action through a collection agency.

13.0 Corporation Responsibility and Liability

13.1 Continuous Supply:

The Corporation shall make all reasonable efforts to maintain uninterrupted Service

to its Customers, but the Corporation cannot guarantee uninterrupted Service.

Where a plant or any part of a plant malfunctions and the Corporation is unable to supply Service, the Corporation shall, with due regard for cost and circumstance:

a) promptly make repairs; and
b) pending repairs, take all reasonable steps to supply Service from other sources if other sources are reasonably available.

The Corporation shall, whenever possible, give the Customer reasonable notice of any anticipated interruption of Service and will endeavor to ensure that such interruptions are as short and infrequent as circumstances permit.

13.2 Limitation of Corporation Liability:

The Corporation is not liable for any claim for financial loss or inconvenience caused to any person by reason of the failure to supply Service where the Corporation acts in accordance with section 13.1

The Customer shall have no claim against the Corporation for any financial loss or inconvenience suffered by the Customer by reason of the Corporation's failure:

a) to maintain a supply of Electric Service at unvaried frequency or voltage; or
b) to supply Service due to any cause beyond the Corporation's reasonable control, including, without limiting the generality of the foregoing: any strike, lockout, riot, insurrection, civil commotion, fire, storm, flood, drought, invasion, act of God or of the Queen's enemies; or
c) to supply Service where the interruption of supply is considered necessary by the Corporation.

14.0 Customer Responsibility and Liability

14.1 Provide Permit:

The Customer shall ensure that all required permits, licences, and authorization are

provided to the Corporation prior to:

a) commencement of Service, or

b) any change of service requirements at any point of delivery, or

c) commencement of construction of new service extensions.

14.2 Customer's Facilities:

The Customer shall be responsible for the installation and condition of all Customers' Facilities on the Customer's side of the Point of Delivery, except metering or other equipment owned by the Corporation.

14.3 Customer's Installation and Operation:

Any Customer Facilities supplied with Service shall be installed in accordance with the applicable statutes, regulations, standards and codes and only after the Corporation has given its consent and any necessary inspections have been successfully completed such equipment will be operated so as to cause no interference with the Corporation Facilities or with any other Customer's Service. The Customer will be responsible for costs associated with installing, maintaining, repairing and replacing the Customer Facilities.

14.4 Improper Operation or Installation:

Should the Customer fail to comply with Section 14.3, the Corporation may immediately suspend the supply of Service. Service will be recommenced when this failure is remedied to the satisfaction of the Corporation.

14.5 Customer's Protection:

The Customer shall be responsible for determining whether any devices are needed to protect the Customer's equipment from damage that may result from the provision of Service by the Corporation. The Customer shall provide and install any such devices.

14.6 Notice of Service Change:

The Customer shall provide the Corporation with reasonable prior notice of any significant change in the Customer's Connected Load to the Service.

Notwithstanding any other provision of these Terms, the Corporation shall not be obligated to supply any Demand in excess of that agreed to by the Corporation.

14.7 Damage:

The Customer shall be responsible for all damage caused to Corporation Facilities located on the Customer's premises where the damage is caused by the negligent acts or omissions or wilful misconduct of the Customer or anyone permitted by the Customer to be on the premises. At the Corporation's sole discretion, the costs associated with such damages will either be added to the Customer's regular bill or will be billed on a separate invoice issued to the Customer.

14.8 Changes to Corporation Facilities:

If the Corporation must modify its Facilities to accommodate a Customer load or Service change, the Customer shall pay for all costs in connection with such modification including the following costs:

a) the original capital cost of the existing Facilities being removed, less accumulated amortization and any amount paid by the Customer as a customer contribution toward those Facilities; plus
b) the Corporation's estimate of the cost of removing the existing Facilities, less the estimated salvage value of those Facilities; plus
c) the Corporation's estimate of any other costs that may be associated with the removal of the existing Facilities.

Any difference between the actual costs incurred and the estimated costs shall be refunded or invoiced to the Customer.

14.9 Service Calls:

If the source of a Customer requested service call is the Customer Facilities, the Customer may be required to sign a TMI and to provide a TMI Deposit prior to any work being undertaken by the Corporation. Following satisfactory completion of the service call, the Customer will be invoiced or refunded the difference between the TMI Deposit paid and the actual costs incurred by the Corporation.

If the Corporation responds to a request by the Customer for Service of Customer Facilities, then the Corporation may charge the Customer a service call response fee of $40.00 plus GST, whether or not the Corporation installs, maintains, repairs, or replaces any Customer Facilities.

15.0 Termination of Service by Customer

15.1 Notice:

Except where otherwise provided in a contract between the Corporation and a Customer, a Customer may, at any time, give the Corporation reasonable written notice, in advance, that the Customer wishes Service to the Point of Delivery terminated. Upon receipt of such notice, the Corporation shall read the Customer's meter within a reasonable time, and shall use its best efforts to read the Customer's meter at the time requested by the Customer. A Customer shall be liable for all amounts owing in respect of Service provided to the time of such reading.

Where the Customer's account is connected to a third party property and/or asset (for example, User pay Customers and the Nunavut Housing Corporation), the Corporation will make reasonable efforts to contact the third party.

15.2 Early Restoration:

If permanent Service is terminated at the request of a Customer, whether or not the Service is disconnected by the Corporation, and if the same Customer requests restoration or reconnection of the Service to the premises on the same rate classification (or any replacement thereof) within 12 months, the Corporation shall require the Customer to pay the greater of:

a) the expenses the Corporation incurred in making the restoration or reconnection of the Service; or

b) the sum of the Demand charges which would have been paid by the Customer between the time of termination and the time of restoration or reconnection of the Service on the applicable rate.

16.0 Termination of Service by Corporation

16.1 Reasons of Safety:

The Corporation may, without notice, terminate Service to a Customer where, in the Corporation's opinion acting reasonably:

a) the Customer's equipment or premises are unsafe or may become dangerous to life or property; or

b) the use of the Service may cause damage to the Corporation's Facilities, or interfere with, or disturb Service to any other Customer; or

c) the Customer Facilities or any equipment of the Customer fails to comply with applicable statutes, regulations, standards and codes.

The Corporation will reconnect the Service when the safety problem is resolved and approved by the appropriate Electrical Inspection Department and when the Customer has provided, or paid the Corporation's costs of providing, such devices or equipment as may be necessary to resolve such safety problem and to prevent such damage, interference or disturbance.

16.2 Without Notice:

The Corporation may, without notice, terminate a Customer's Service or install a current-limiting device to restrict the Service to such Customer where:

a) the Customer becomes bankrupt or enters receivership, or steps have been taken to terminate its existence as a legal entity, or

b) in the Corporation's opinion acting reasonably , tampering has occurred with any equipment used to provide Service, any meters, any seals, or any other Corporation Facilities, or

c) the Customer makes fraudulent use of the Service being provided, or

d) the Customer changes Service requirements without the permission of the Corporation.

The Corporation acting reasonably may remove the current limiting device 72 hours after its installation, which has allowed the Customer an opportunity to winterize their residence.

16.3 Non-payment:

Where accounts are not paid by a Customer within 9 days after the accounts become payable (a total of 30 days after the billing date), the Corporation may issue an arrears letter to the Customer, mailed in writing. If an account remains unpaid 60 days after the billing date, the Corporation may issue a 48-hour notice of disconnection of Service, in writing to the Customer. Where accounts are not paid before the expiration of such notice, the Corporation may forthwith disconnect the Customer from Service or install a current limiting device.

Where accounts are paid after such notice, the Customer shall pay a Security Deposit as prescribed in Sections 5.7 and 5.8 or may be required to increase the Security Deposit if one has already been paid.

Where disconnection action is initiated pursuant to this Section, an administration charge for initiating the disconnection action of $25 plus GST shall be assessed to the Customer's account to partially recover the administrative cost. Where payment is received prior to the disconnection being completed, the $25 plus GST administration charge shall remain on the Customer's account.

Where the payment is received prior to the disconnection being completed is ultimately determined to be a dishonoured payment, the Corporation will not be required to initiate a second 48-hour disconnection notice and may proceed with disconnection action as appropriate.

Where accounts are not paid by a Customer before the expiration of a notice given to the Customer pursuant to this section, the Corporation may forthwith disconnect the Customer from Service and may refuse to reconnect the Customer for Service until the accounts in arrears, a security deposit payable under Sections 5.7 and 5.8, and a connection charge of $40.00 plus GST, in respect of the reconnection are fully paid. As an alternative to disconnection during winter months, the Corporation may, at its sole discretion acting reasonably, install a device to limit the electricity available to the Customer.

The Corporation acting reasonably may remove the current limiting device 72 hours after its installation where accounts have not been paid and commence complete disconnection, which has allowed the Customer an opportunity to winterize their residence.

16.4 Removal of Facilities:

Upon termination of Service, the Corporation shall be entitled to remove any of its Facilities located upon the property of the Customer and to enter upon the Customer's property for that purpose.

17.0 Waiver

Any waiver by the Corporation, or failure of the Corporation, to exercise any of its remedies will be limited to the particular instance, and will not constitute a waiver of any other rights or remedy or extend to any other matter under, or in any way affect the validity or modify the meaning or intent of, any provisions of these terms. The exercise by the Corporation of any remedy provided for by these Terms will not operate to prevent the Corporation from pursuing any other remedy to which it is entitled.

SCHEDULE A

MAXIMUM CORPORATION INVESTMENT

1. "Capital Cost" is defined as the estimated cost of materials, labour, equipment, expenses, and any other direct costs incurred by the Corporation in extending Service to a Point of Delivery.

   "Annual Cost" is defined as including:

   a) the fixed annual amount of return and amortization in respect of the Capital Cost of Facilities constructed to serve the Customer;
   b) costs of generating and transmitting electric energy to the Customer, and operating and maintaining Facilities constructed to serve the Customer; and
   c) administrative and general costs incurred by the Corporation in providing Service to the Customer.

2. Subject to the provisions of Section 3 of this Schedule A, the maximum cost which the Corporation will incur to extend Service to a Point of Delivery (herein referred to as the "Maximum Corporation Investment") shall be determined as follows:

   a) for Residential Service:
      i) $2,000 per single family dwelling;
      ii) $1,000 per unit in a Multiple Unit Dwelling;
   b) for Commercial Service;
      i) where the estimated life of the Service Extension is at least 25 years, $200 for each anticipated kilowatt (kW) of Billing Demand which shall not be less than 5kW ; or
      ii) where the estimated life of the Service Extension is less than 25 years or where Service will be Seasonal, $200 for each anticipated kW of Billing Demand (which shall not be less than 5 kW), multiplied by the amount determined by the following calculation:

$$\frac{\text{Estimated number of months during which Service will be received}}{\text{25 years X 12 months per year}}$$

(c) for Industrial Service, in the manner specified in an agreement with the Industrial Customer.

3. The Corporation will refund a portion of the construction contribution within three (3) years of the original service connection date, provided that:
   a) actual kW demand is significantly higher than the kW demand used to determine the contribution and no changes have been made to the Facilities related to such contribution; or
   b) another Customer shares a part of the service to which the construction contribution relates.

4. If the construction contribution refund is a result of an additional Customer applying within three (3) years of the original service connection date to be served from a service extension for which a construction contribution was originally made, the construction contribution will be reapportioned and refunds made as follows:
   a) The Maximum Corporation Investment is re-evaluated by adding the costs of that portion of the dedicated facilities related to the original Customer to the portion of the dedicated facilities related to the additional Customer(s);
   b) The Corporation's re-evaluated maximum investment is applied against the total costs of the shared service extension;
   c) The difference between the Corporation's re-evaluated maximum investment and the total cost of the shared service extension is the total amount of the construction contribution required from the original Customer and the additional Customer(s);
   d) The additional Customer(s) is then assessed an apportioned amount of the revised construction contribution required taking into consideration the portion of the original line that is now shared and the amount of time that has lapsed since the original service connection date of the original Customer serviced by the service extension (amortization is based upon the Average Life Group method (ALG)); and

e) The original contributor will be refunded the difference between the original construction contribution made and his portion of the revised total construction contribution required.

The refund program ceases to exist after Facilities have been in Service for a period of three (3) years from the time of the original Service connection.

The refund will be paid to the original contributor unless the Corporation is directed in writing by the original contributor to make the refund payable to another.

Action for the refund of capital contributions must be initiated by the original contributor.

If all or part of a contribution is subsequently refunded, the appropriate amount of GST originally collected will also be refunded.

SCHEDULE B

CONDITIONS OF UNDERGROUND SERVICE

1. The Corporation shall extend Electricity Service by underground conductor lines upon and subject to the following terms and conditions (the term **"**developer**"** as used herein means the person or party who has requested the underground Service):

   a) No Service is then available in the area to be served by such extension, and not less than 25 single family dwellings (or such lesser number as may be agreed to by the Corporation) will be connected to such extension (the "underground service area"), each of which is situated upon a parcel of land upon which other single family dwellings in the underground Service area are situated;

   b) All permanent Service in the underground Service area shall be provided exclusively through underground conductor lines;

   c) The developer shall provide, without cost to the Corporation, such rights-of-way, easements, utility corridors and transformer locations as the Corporation may require for the installation, operation and maintenance of such extension, which the developer shall keep free and clear of any buildings, structures, fences, pavement, trees or any other obstructions which may hinder the Corporation in installing, maintaining or removing its Facilities;

   d) The Corporation shall not be obligated to install such extension until it is reasonably satisfied that the extension will not thereafter be damaged or interfered with, and, in any event, any costs incurred by the Corporation in relation to the relocation, reinstallation or as a result of damage to such extension shall be paid by the developer;

   e) Service, for purposes other than Residential use and Municipal Street Lighting, may be provided from such extension only with the consent of the Corporation;

   f) In relation to the underground Service, the developer shall cause to be provided a meter receptacle and Service conductor protection from not less than 60 centimetres below grade level to the line side of the meter receptacle

and will ensure the installation of a Service having 200 ampere capacity;

g) The developer shall provide to the Corporation a certified copy of the registered plan of subdivision and final construction plans showing the location and elevation of sidewalks, curbs and gutters, and underground utilities together with such evidence as the Corporation may reasonably require to the effect that all rules and regulations applicable to the development have been or will be complied with by the developer;

h) Survey stakes indicating grades and property lines shall be installed and maintained by the developer**;**

i) The surface of the ground for a distance of not less than 1.5 metres on each side of the alignments for the underground conductor lines shall be graded by the developer to within eight (8) centimetres of a final grade;

j) Unless otherwise agreed to by the Corporation, the developer shall provide a survey for the location of transformers, street light bases and cable routing, as required; and

k) Sidewalks, curbs and gutters may be constructed by the developer but no other permanent improvements shall be made until approved by the Corporation.

In addition, the Service shall be subject to such other conditions as may be specified by the Corporation from time to time.

SCHEDULE C

FEES AND SERVICE CHARGE SUMMARY

5.0 CHARGES FOR SERVICE

5.1	Residential Service Connection Fee	$ 20.00
5.1	Commercial Service Connection Fee	$ 40.00
5.1	Temporary Service Connection Fee	$ 40.00
5.1	Seasonal Service Connection Fee	$ 40.00
5.2	Reconnection Fee	$ 40.00

5.8 SECURITY DEPOSITS

RESIDENTIAL	
Single Detached Dwelling	$ 300.00
Apartment, Multiple Dwelling Unit or Row House	$ 150.00
USER PAY	$ 100.00
COMMERCIAL	$ 300.00

(Or an estimate equal to the 2 months of billings with the highest consumption during the next 12 month period)

BASIC SERVICE CHARGES*

Monthly Service Charge - Residential	$ 18.00
Monthly Demand Charge - Commercial Per kW (minimum 5kW)	$ 8.00

(As per the Applicable Rate Schedules in effect and as amended from time to time)

LATE PAYMENT AND DISCONNECTION*

12.6	Late Payment Charge	1 ½ % per Month
16.3	Administration Fee for Initiating Disconnection Action	$ 25.00
12.4	Administration Fee for Commencing Collection Action	$ 25.00
12.7	Dishonored Payments Charge	$ 20.00

Miscellaneous Fees/Charges*

5.5	Power Bill Copying Charge	$ 1 (via mail) $ 2 (via fax)
11.3	Meter Accuracy Test Handling Fee (Accurate meters only)	$40.00
14.9	Service Call Response Fee	$ 40.00 or TMI
7.5	Private Area Lighting Maintenance Fees	TMI
9.7	Service Extension Charges	As per Schedule A
9.9	Overhead to Underground Conversion	As per Schedule A
9.10	Relocation of Facilities	TMI

2.38 TMI Deposit

50% of the estimated TMI or $100.00 whichever is greater

If the estimated TMI is greater than $5000.00 then the deposit equals 75%

***Plus GST**

Qulliq Energy Corporation **Appendix M**
Generation History and Forecast **Table 10.1.1**

Line No.	**Nunavut** Fiscal Year	Total Sales kWh	Domestic Sales kWh	Commercial Sales kWh	Streetlight Sales kWh	Line Losses kWh	Station Service kWh	Total Generation kWh	Peak Load Kw
1	01/02	119,158,077	48,361,567	68,835,878	1,960,632	7,964,187	5,384,481	132,506,745	25,367
2	02/03	122,660,087	48,694,099	71,951,752	2,014,236	9,220,380	5,782,823	137,663,289	25,776
3	03/04	129,252,169	50,575,040	76,662,893	2,014,236	8,782,661	5,782,823	143,817,652	27,522
4	04/05	135,474,480	52,021,204	81,439,041	2,014,236	9,219,803	5,782,823	150,477,106	28,791
5	05/06	139,982,803	53,453,104	84,515,463	2,014,236	9,539,259	5,782,823	155,304,885	29,684
6	06/07	145,810,061	55,502,881	88,292,945	2,014,236	9,881,347	5,782,823	161,474,231	30,811
7	07/08	149,379,127	56,840,280	90,524,611	2,014,236	10,110,714	5,782,823	165,272,664	31,534
8	08/09	153,011,212	58,221,085	92,775,891	2,014,236	10,343,013	5,782,823	169,137,047	32,266
9									
10	**Kitikmeot**	Total	Domestic	Commercial	Streetlight		Station	Total	Peak
11	Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
12	Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
13									
14	01/02	17,847,768	7,826,487	9,691,281	330,000	1,253,453	388,224	19,489,445	4,020
15	02/03	18,065,398	8,049,268	9,678,258	337,872	1,591,897	393,064	20,050,359	3,990
16	03/04	19,343,595	8,055,495	10,950,228	337,872	1,381,455	393,064	21,118,114	4,264
17	04/05	19,794,377	8,110,391	11,346,114	337,872	1,415,522	393,064	21,602,963	4,363
18	05/06	20,012,273	8,157,697	11,516,704	337,872	1,436,090	393,064	21,841,427	4,412
19	06/07	20,417,749	8,324,723	11,755,153	337,872	1,464,250	393,064	22,275,063	4,499
20	07/08	20,853,422	8,504,014	12,011,536	337,872	1,494,900	393,064	22,741,386	4,594
21	08/09	21,283,723	8,681,120	12,264,731	337,872	1,524,836	393,064	23,201,623	4,687
22									
23	**Kivalliq**	Total	Domestic	Commercial	Streetlight		Station	Total	Peak
24	Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
25	Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
26									
27	01/02	28,727,290	12,303,915	15,960,511	462,864	2,203,203	1,250,919	32,181,412	6,294
28	02/03	29,845,560	12,719,027	16,671,589	454,944	2,004,260	1,317,256	33,167,076	6,537
29	03/04	31,172,711	13,008,681	17,709,086	454,944	2,244,537	1,317,256	34,734,505	6,899
30	04/05	33,280,897	13,294,332	19,531,622	454,944	2,406,375	1,317,256	37,004,529	7,363
31	05/06	34,054,296	13,587,252	20,012,100	454,944	2,465,753	1,317,256	37,837,305	7,532
32	06/07	34,797,248	13,886,219	20,456,085	454,944	2,518,153	1,317,256	38,632,657	7,691
33	07/08	35,553,581	14,189,779	20,908,858	454,944	2,571,539	1,317,256	39,442,375	7,854
34	08/09	36,331,001	14,502,778	21,373,279	454,944	2,626,661	1,317,256	40,274,918	8,021
35									
36	**Qikiqtaaluk**	Total	Domestic	Commercial	Streetlight		Station	Total	Peak
37	Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
38	Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
39									
40	01/02	72,583,019	28,231,165	43,184,086	1,167,768	4,507,531	3,745,338	80,835,888	15,053
41	02/03	74,749,129	27,925,805	45,601,905	1,221,420	5,624,223	4,072,503	84,445,855	15,249
42	03/04	78,735,862	29,510,864	48,003,579	1,221,420	5,156,669	4,072,503	87,965,034	16,359
43	04/05	82,399,206	30,616,481	50,561,305	1,221,420	5,397,906	4,072,503	91,869,614	17,066
44	05/06	85,916,234	31,708,155	52,986,659	1,221,420	5,637,416	4,072,503	95,626,153	17,740
45	06/07	90,595,065	33,291,938	56,081,707	1,221,420	5,898,943	4,072,503	100,566,511	18,620
46	07/08	92,972,124	34,146,487	57,604,217	1,221,420	6,044,276	4,072,503	103,088,902	19,087
47	08/09	95,396,488	35,037,187	59,137,881	1,221,420	6,191,515	4,072,503	105,660,506	19,559

Qulliq Energy Corporation **Appendix M**
Generation History and Forecast **Table 10.1.2**

Kitikmeot

Line No.	**Cambridge Bay (501)** Fiscal Year	Total Sales kWh	Domestic Sales kWh	Commercial Sales kWh	Streetlight Sales kWh	Losses kWh	Station Service kWh	Generation kWh	Peak Load Kw
1	01/02	6,584,437	2,705,991	3,775,342	103,104	304,071	113,400	7,001,908	1,440
2	02/03	6,447,648	2,749,371	3,592,173	106,104	637,602	99,000	7,184,250	1,400
3	03/04	7,352,970	2,697,222	4,549,645	106,104	455,265	99,000	7,907,235	1,591
4	04/05	7,529,393	2,639,137	4,784,152	106,104	466,188	99,000	8,094,581	1,629
5	05/06	7,429,851	2,560,845	4,762,902	106,104	460,025	99,000	7,988,875	1,607
6	06/07	7,580,058	2,613,367	4,860,587	106,104	469,325	99,000	8,148,383	1,639
7	07/08	7,748,472	2,672,255	4,970,113	106,104	479,752	99,000	8,327,225	1,675
8	08/09	7,912,335	2,729,552	5,076,679	106,104	489,898	99,000	8,501,233	1,710
9									
10	**Gjoa Haven (502)**	Total	Domestic	Commercial	Streetlight		Station		Peak
11	Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
12	Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
13									
14	01/02	2,890,863	1,331,542	1,487,501	71,820	383,537	121,000	3,395,400	660
15	02/03	2,969,777	1,363,980	1,534,133	71,664	373,058	96,306	3,439,140	700
16	03/04	3,050,385	1,406,464	1,572,256	71,664	331,610	96,306	3,478,301	692
17	04/05	3,140,140	1,459,976	1,608,500	71,664	341,367	96,306	3,577,813	712
18	05/06	3,230,932	1,521,248	1,638,021	71,664	351,237	96,306	3,678,476	732
19	06/07	3,273,935	1,541,954	1,660,317	71,664	355,912	96,306	3,726,153	741
20	07/08	3,328,405	1,568,183	1,688,558	71,664	361,834	96,306	3,786,545	753
21	08/09	3,380,008	1,593,031	1,715,314	71,664	367,444	96,306	3,843,758	765
22									
23	**Taloyoak (503)**	Total	Domestic	Commercial	Streetlight		Station		Peak
24	Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
25	Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
26									
27	01/02	2,458,541	1,095,248	1,311,105	52,188	149,799	23,760	2,632,100	540
28	02/03	2,493,080	1,127,964	1,307,900	57,216	134,267	51,353	2,678,700	550
29	03/04	2,518,893	1,107,637	1,354,041	57,216	103,586	51,353	2,673,832	522
30	04/05	2,535,622	1,098,753	1,379,654	57,216	104,274	51,353	2,691,249	525
31	05/06	2,547,747	1,088,675	1,401,856	57,216	104,772	51,353	2,703,872	528
32	06/07	2,606,981	1,114,568	1,435,198	57,216	107,208	51,353	2,765,543	540
33	07/08	2,663,523	1,139,283	1,467,024	57,216	109,533	51,353	2,824,410	551
34	08/09	2,728,142	1,167,530	1,503,396	57,216	112,191	51,353	2,891,686	564
35									
36	**Kugaaruk (504)**	Total	Domestic	Commercial	Streetlight		Station		Peak
37	Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
38	Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
39									
40	01/02	1,651,028	743,016	877,616	30,396	120,878	45,450	1,817,356	400
41	02/03	1,673,296	772,911	869,989	30,396	182,182	42,300	1,897,778	375
42	03/04	1,872,094	784,049	1,057,649	30,396	150,364	42,300	2,064,758	426
43	04/05	1,895,744	798,089	1,067,259	30,396	152,263	42,300	2,090,308	431
44	05/06	1,950,867	812,120	1,108,351	30,396	156,691	42,300	2,149,858	443
45	06/07	2,004,370	834,745	1,139,228	30,396	160,988	42,300	2,207,658	455
46	07/08	2,055,057	856,180	1,168,481	30,396	165,059	42,300	2,262,416	467
47	08/09	2,105,744	877,614	1,197,734	30,396	169,130	42,300	2,317,174	478
48									
49	**Kugluktuk (505)**	Total	Domestic	Commercial	Streetlight		Station		Peak
50	Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
51	Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
52									
53	01/02	4,262,899	1,950,690	2,239,717	72,492	295,168	84,614	4,642,681	980
54	02/03	4,481,597	2,035,042	2,374,063	72,492	264,789	104,105	4,850,491	965
55	03/04	4,549,252	2,060,124	2,416,636	72,492	340,631	104,105	4,993,988	1,034
56	04/05	4,693,477	2,114,436	2,506,550	72,492	351,430	104,105	5,149,012	1,066
57	05/06	4,852,876	2,174,809	2,605,575	72,492	363,365	104,105	5,320,346	1,101
58	06/07	4,952,405	2,220,089	2,659,823	72,492	370,817	104,105	5,427,327	1,124
59	07/08	5,057,965	2,268,114	2,717,360	72,492	378,721	104,105	5,540,791	1,147
60	08/09	5,157,494	2,313,393	2,771,608	72,492	386,173	104,105	5,647,772	1,169

Kivalliq

Line No.	**Rankin Inlet (601)** Fiscal Year	Total Sales kWh	Domestic Sales kWh	Commercial Sales kWh	Streetlight Sales kWh	Losses kWh	Station Service kWh	Generation kWh	Peak Load Kw
1	01/02	11,313,345	4,571,729	6,634,528	107,088	813,366	424,855	12,551,566	2,300
2	02/03	11,470,114	4,652,936	6,709,766	107,412	820,856	443,639	12,734,609	2,385
3	03/04	12,182,831	4,780,422	7,294,998	107,412	889,606	443,639	13,516,076	2,542
4	04/05	12,287,736	4,887,926	7,292,398	107,412	897,266	443,639	13,628,641	2,563
5	05/06	12,352,500	4,993,199	7,251,889	107,412	901,995	443,639	13,698,135	2,576
6	06/07	12,604,437	5,095,932	7,401,093	107,412	920,392	443,639	13,968,468	2,627
7	07/08	12,861,128	5,200,603	7,553,113	107,412	939,136	443,639	14,243,903	2,679
8	08/09	13,103,558	5,299,459	7,696,687	107,412	956,838	443,639	14,504,035	2,728
9									
10	**Baker Lake (602)**	Total	Domestic	Commercial	Streetlight		Station		Peak
11	Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
12	Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
13									
14	01/02	5,145,589	2,375,121	2,623,948	146,520	682,667	201,744	6,030,000	1,150
15	02/03	5,632,293	2,510,450	2,975,323	146,520	477,477	243,030	6,352,800	1,217
16	03/04	5,753,264	2,586,021	3,020,723	146,520	553,475	243,030	6,549,769	1,267
17	04/05	6,522,415	2,698,410	3,677,485	146,520	627,469	243,030	7,392,914	1,430
18	05/06	6,809,807	2,826,824	3,836,463	146,520	655,117	243,030	7,707,953	1,491
19	06/07	6,922,539	2,874,650	3,901,370	146,520	665,962	243,030	7,831,531	1,515
20	07/08	7,039,298	2,924,183	3,968,595	146,520	677,194	243,030	7,959,522	1,539
21	08/09	7,172,161	2,980,549	4,045,092	146,520	689,976	243,030	8,105,167	1,568
22									
23	**Arviat (603)**	Total	Domestic	Commercial	Streetlight		Station		Peak
24	Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
25	Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
26									
27	01/02	5,320,451	2,399,609	2,852,166	68,676	495,425	117,018	5,932,894	1,284
28	02/03	5,638,117	2,501,635	3,067,277	69,204	453,689	134,688	6,226,493	1,295
29	03/04	6,021,508	2,555,485	3,396,820	69,204	408,265	134,688	6,564,461	1,401
30	04/05	7,068,878	2,570,686	4,428,988	69,204	479,277	134,688	7,682,843	1,639
31	05/06	7,379,685	2,574,428	4,736,053	69,204	500,350	134,688	8,014,724	1,710
32	06/07	7,567,795	2,640,673	4,857,919	69,204	513,105	134,688	8,215,588	1,753
33	07/08	7,770,659	2,712,112	4,989,343	69,204	526,859	134,688	8,432,206	1,799
34	08/09	7,969,835	2,782,253	5,118,378	69,204	540,363	134,688	8,644,886	1,844
35									
36	**Coral Harbour (604)**	Total	Domestic	Commercial	Streetlight		Station		Peak
37	Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
38	Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
39									
40	01/02	2,557,069	1,059,197	1,448,252	49,620	84,261	165,270	2,806,600	580
41	02/03	2,498,028	1,053,453	1,395,291	49,284	94,421	176,151	2,768,600	580
42	03/04	2,550,530	1,075,982	1,425,264	49,284	122,213	176,151	2,848,895	603
43	04/05	2,574,716	1,099,963	1,425,469	49,284	123,372	176,151	2,874,239	608
44	05/06	2,602,087	1,131,322	1,421,481	49,284	124,684	176,151	2,902,921	614
45	06/07	2,667,342	1,160,241	1,457,817	49,284	127,811	176,151	2,971,304	629
46	07/08	2,722,157	1,184,533	1,488,340	49,284	130,437	176,151	3,028,745	641
47	08/09	2,787,413	1,213,452	1,524,676	49,284	133,564	176,151	3,097,128	655
48									
49	**Chesterfield Inlet (605)**	Total	Domestic	Commercial	Streetlight		Station		Peak
50	Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
51	Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
52									
53	01/02	1,344,327	567,818	752,413	24,096	108,958	105,450	1,558,735	310
54	02/03	1,394,257	571,110	799,051	24,096	87,835	96,225	1,578,317	330
55	03/04	1,411,776	575,479	812,201	24,096	101,681	96,225	1,609,682	337
56	04/05	1,431,280	576,221	830,962	24,096	103,086	96,225	1,630,591	342
57	05/06	1,446,444	574,023	848,325	24,096	104,178	96,225	1,646,847	345
58	06/07	1,486,045	590,005	871,944	24,096	107,030	96,225	1,689,301	354
59	07/08	1,515,746	601,992	889,659	24,096	109,170	96,225	1,721,141	361
60	08/09	1,558,648	619,305	915,246	24,096	112,260	96,225	1,767,132	370
61									
62	**Whale Cove (606)**	Total	Domestic	Commercial	Streetlight		Station		Peak
63	Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
64	Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
65									
66	01/02	1,108,677	457,209	621,048	30,420	27,141	148,112	1,283,930	250
67	02/03	1,202,402	511,848	650,918	39,636	14,876	147,575	1,364,853	300
68	03/04	1,217,433	527,463	650,333	39,636	48,563	147,575	1,413,571	304
69	04/05	1,314,164	538,315	736,214	39,636	52,422	147,575	1,514,161	326
70	05/06	1,340,092	549,666	750,789	39,636	53,456	147,575	1,541,123	332
71	06/07	1,372,785	563,485	769,664	39,636	54,760	147,575	1,575,120	339
72	07/08	1,412,743	580,374	792,733	39,636	56,354	147,575	1,616,672	348
73	08/09	1,449,068	595,728	813,705	39,636	57,803	147,575	1,654,446	356
74									
75	**Repulse Bay (607)**	Total	Domestic	Commercial	Streetlight		Station		Peak
76	Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
77	Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
78									
79	01/02	1,937,831	873,231	1,028,156	36,444	(8,614)	88,470	2,017,687	420
80	02/03	2,010,350	917,595	1,073,963	18,792	55,106	75,948	2,141,404	430
81	03/04	2,035,369	907,828	1,108,748	18,792	120,734	75,948	2,232,051	445
82	04/05	2,081,709	922,811	1,140,106	18,792	123,483	75,948	2,281,140	455
83	05/06	2,123,681	937,790	1,167,100	18,792	125,973	75,948	2,325,602	464
84	06/07	2,176,304	961,234	1,196,277	18,792	129,094	75,948	2,381,346	475
85	07/08	2,231,849	985,982	1,227,076	18,792	132,389	75,948	2,440,187	487
86	08/09	2,290,318	1,012,031	1,259,495	18,792	135,858	75,948	2,502,124	499

Qulliq Energy Corporation **Appendix M**
Generation History and Forecast **Table 10.1.4**

Qikiqtaaluq

Line No.	**Iqaluit (701)** Fiscal Year	Total Sales kWh	Domestic Sales kWh	Commercial Sales kWh	Streetlight Sales kWh	Losses kWh	Station Service kWh	Generation kWh	Peak Load Kw
1	01/02	39,378,419	13,243,497	25,729,550	405,372	1,877,302	2,176,959	43,432,680	7,488
2	02/03	40,543,428	12,811,991	27,352,429	379,008	2,206,824	2,566,428	45,316,680	7,473
3	03/04	43,485,135	13,965,157	29,140,970	379,008	2,153,774	2,566,428	48,205,337	8,243
4	04/05	45,958,639	14,603,303	30,976,328	379,008	2,276,284	2,566,428	50,801,351	8,687
5	05/06	48,384,477	15,203,798	32,801,671	379,008	2,396,433	2,566,428	53,347,338	9,122
6	06/07	52,182,968	16,406,817	35,397,143	379,008	2,584,569	2,566,428	57,333,964	9,804
7	07/08	53,684,026	16,882,217	36,422,802	379,008	2,658,914	2,566,428	58,909,368	10,073
8	08/09	55,263,628	17,382,492	37,502,128	379,008	2,737,150	2,566,428	60,567,206	10,356
9									
10	**Pangnirtung (702)**	Total	Domestic	Commercial	Streetlight		Station		Peak
11	Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
12	Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
13									
14	01/02	4,806,649	2,200,301	2,500,844	105,504	385,122	90,159	5,281,930	1,080
15	02/03	5,038,679	2,255,771	2,676,540	106,368	543,318	113,767	5,695,763	1,140
16	03/04	5,360,020	2,448,873	2,804,779	106,368	425,057	113,767	5,898,844	1,223
17	04/05	5,677,427	2,656,797	2,914,262	106,368	450,228	113,767	6,241,422	1,294
18	05/06	6,044,488	2,884,228	3,053,892	106,368	479,337	113,767	6,637,592	1,376
19	06/07	6,161,733	2,941,176	3,114,189	106,368	488,634	113,767	6,764,134	1,403
20	07/08	6,285,875	3,001,474	3,178,033	106,368	498,479	113,767	6,898,121	1,430
21	08/09	6,420,362	3,066,796	3,247,198	106,368	509,144	113,767	7,043,273	1,461
22									
23	**Cape Dorset (703)**	Total	Domestic	Commercial	Streetlight		Station		Peak
24	Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
25	Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
26									
27	01/02	4,092,850	1,913,986	2,073,384	105,480	494,693	105,257	4,692,800	932
28	02/03	4,194,474	1,915,038	2,185,068	94,368	590,258	102,804	4,887,536	925
29	03/04	4,337,603	1,979,941	2,263,294	94,368	378,365	102,804	4,818,773	980
30	04/05	4,627,773	2,046,850	2,486,555	94,368	403,676	102,804	5,134,253	1,045
31	05/06	4,780,327	2,120,619	2,565,340	94,368	416,984	102,804	5,300,114	1,078
32	06/07	4,882,048	2,166,653	2,621,027	94,368	425,857	102,804	5,410,709	1,101
33	07/08	4,980,379	2,211,152	2,674,858	94,368	434,434	102,804	5,517,617	1,123
34	08/09	5,082,100	2,257,186	2,730,546	94,368	443,307	102,804	5,628,211	1,145
35									
36	**Resolute Bay (704)**	Total	Domestic	Commercial	Streetlight		Station		Peak
37	Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
38	Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
39									
40	01/02	2,705,538	530,410	2,097,440	77,688	324,490	455,659	3,485,687	560
41	02/03	2,636,689	549,158	2,045,495	42,036	588,878	371,228	3,596,795	585
42	03/04	2,783,703	580,381	2,161,286	42,036	527,045	371,228	3,681,975	607
43	04/05	2,980,279	619,401	2,318,842	42,036	564,263	371,228	3,915,770	646
44	05/06	3,254,165	665,106	2,547,023	42,036	616,118	371,228	4,241,511	699
45	06/07	3,292,405	673,024	2,577,345	42,036	623,358	371,228	4,286,991	707
46	07/08	3,317,898	678,303	2,597,559	42,036	628,185	371,228	4,317,310	712
47	08/09	3,356,138	686,221	2,627,881	42,036	635,425	371,228	4,362,790	719
48									
49	**Pond Inlet (705)**	Total	Domestic	Commercial	Streetlight		Station		Peak
50	Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
51	Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
52									
53	01/02	4,097,136	1,904,539	2,073,149	119,448	405,317	178,973	4,681,426	940
54	02/03	4,340,503	1,952,606	2,268,449	119,448	351,736	158,741	4,850,980	1,031
55	03/04	4,289,931	1,963,499	2,206,983	119,448	395,546	158,741	4,844,218	1,023
56	04/05	4,279,852	1,992,266	2,168,138	119,448	394,617	158,741	4,833,210	1,021
57	05/06	4,227,125	2,021,007	2,086,671	119,448	389,756	158,741	4,775,622	1,009
58	06/07	4,357,611	2,085,207	2,152,956	119,448	401,787	158,741	4,918,138	1,039
59	07/08	4,472,438	2,141,702	2,211,287	119,448	412,374	158,741	5,043,553	1,065
60	08/09	4,592,484	2,200,766	2,272,270	119,448	423,443	158,741	5,174,668	1,093
61									
62	**Igloolik (706)**	Total	Domestic	Commercial	Streetlight		Station		Peak
63	Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
64	Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
65									
66	01/02	4,374,887	2,151,116	2,124,927	98,844	59,006	121,107	4,555,000	940
67	02/03	4,412,087	2,152,813	2,160,717	98,556	144,866	128,047	4,685,000	926
68	03/04	4,488,712	2,235,999	2,154,156	98,556	184,800	128,047	4,801,558	976
69	04/05	4,541,098	2,317,713	2,124,829	98,556	186,956	128,047	4,856,101	987
70	05/06	4,560,610	2,406,752	2,055,302	98,556	187,760	128,047	4,876,417	992
71	06/07	4,652,986	2,456,579	2,097,852	98,556	191,563	128,047	4,972,596	1,011
72	07/08	4,745,363	2,506,405	2,140,402	98,556	195,366	128,047	5,068,776	1,031
73	08/09	4,860,133	2,568,310	2,193,267	98,556	200,091	128,047	5,188,271	1,055
74									
75	**Hall Beach (707)**	Total	Domestic	Commercial	Streetlight		Station		Peak
76	Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
77	Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
78									
79	01/02	2,198,827	967,044	1,181,803	49,980	81,990	125,809	2,406,626	449
80	02/03	2,169,545	909,504	1,209,617	50,424	43,086	111,394	2,324,025	444
81	03/04	2,278,357	916,174	1,311,758	50,424	124,747	111,394	2,514,498	483
82	04/05	2,280,762	902,027	1,328,310	50,424	124,879	111,394	2,517,035	484
83	05/06	2,272,431	884,436	1,337,571	50,424	124,423	111,394	2,508,248	482
84	06/07	2,322,530	904,377	1,367,729	50,424	127,166	111,394	2,561,089	492
85	07/08	2,378,522	926,664	1,401,434	50,424	130,231	111,394	2,620,147	503
86	08/09	2,437,461	950,124	1,436,913	50,424	133,458	111,394	2,682,314	515
87									

Qikiqtarjuaq (708)	Total	Domestic	Commercial	Streetlight		Station		Peak
Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
01/02	1,877,026	934,605	914,701	27,720	181,124	88,800	2,146,950	450
02/03	1,863,978	902,302	932,720	28,956	355,372	99,950	2,319,300	440
03/04	1,895,815	849,817	1,017,042	28,956	193,054	99,950	2,188,819	453
04/05	1,941,609	815,483	1,097,170	28,956	197,718	99,950	2,239,277	463
05/06	1,988,050	769,855	1,189,239	28,956	202,447	99,950	2,290,447	474
06/07	2,035,911	788,662	1,218,292	28,956	207,320	99,950	2,343,181	485
07/08	2,074,199	803,708	1,241,535	28,956	211,219	99,950	2,385,369	494
08/09	2,115,678	820,008	1,266,714	28,956	215,443	99,950	2,431,072	503

Kimmirut (709)	Total	Domestic	Commercial	Streetlight		Station		Peak
Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
01/02	1,584,198	683,434	870,164	30,600	55,211	143,060	1,782,469	375
02/03	1,581,833	683,452	865,885	32,496	94,688	125,230	1,801,751	389
03/04	1,584,365	673,211	878,658	32,496	94,840	125,230	1,804,435	390
04/05	1,582,126	665,063	884,567	32,496	94,706	125,230	1,802,061	389
05/06	1,575,161	655,711	886,954	32,496	94,289	125,230	1,794,680	388
06/07	1,607,857	669,609	905,753	32,496	96,246	125,230	1,829,333	395
07/08	1,655,415	689,823	933,096	32,496	99,093	125,230	1,879,738	406
08/09	1,697,029	707,511	957,022	32,496	101,584	125,230	1,923,842	415

Arctic Bay (710)	Total	Domestic	Commercial	Streetlight		Station		Peak
Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
01/02	2,044,220	1,182,611	814,449	47,160	178,880	49,300	2,272,400	498
02/03	2,127,389	1,187,339	908,550	31,500	201,141	53,441	2,381,971	515
03/04	2,200,171	1,216,608	952,063	31,500	174,869	53,441	2,428,482	528
04/05	2,288,559	1,236,593	1,020,465	31,500	181,894	53,441	2,523,894	549
05/06	2,380,115	1,252,976	1,095,639	31,500	189,171	53,441	2,622,727	570
06/07	2,430,623	1,279,922	1,119,201	31,500	193,185	53,441	2,677,249	582
07/08	2,489,548	1,311,358	1,146,690	31,500	197,869	53,441	2,740,859	596
08/09	2,540,056	1,338,304	1,170,252	31,500	201,883	53,441	2,795,381	608

Clyde River (711)	Total	Domestic	Commercial	Streetlight		Station		Peak
Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
01/02	2,357,743	1,181,284	1,152,267	24,192	276,437	92,402	2,726,582	590
02/03	2,526,755	1,253,427	1,248,944	24,384	252,660	119,142	2,898,557	610
03/04	2,586,834	1,286,209	1,276,241	24,384	255,569	119,142	2,961,544	645
04/05	2,669,852	1,334,383	1,311,085	24,384	263,770	119,142	3,052,764	665
05/06	2,748,181	1,386,757	1,337,040	24,384	271,509	119,142	3,138,832	684
06/07	2,818,571	1,422,595	1,371,592	24,384	278,463	119,142	3,216,176	701
07/08	2,892,022	1,459,991	1,407,647	24,384	285,720	119,142	3,296,883	718
08/09	2,959,352	1,494,270	1,440,698	24,384	292,372	119,142	3,370,865	734

Grise Fiord (712)	Total	Domestic	Commercial	Streetlight		Station		Peak
Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
01/02	883,293	286,827	574,723	21,744	26,731	64,226	974,250	256
02/03	886,298	268,054	599,284	18,960	50,881	72,021	1,009,200	221
03/04	889,778	267,073	603,745	18,960	58,422	72,021	1,020,221	232
04/05	893,885	263,891	611,034	18,960	58,692	72,021	1,024,598	233
05/06	893,498	259,926	614,612	18,960	58,666	72,021	1,024,185	233
06/07	905,237	263,415	622,862	18,960	59,437	72,021	1,036,695	236
07/08	905,237	263,415	622,862	18,960	59,437	72,021	1,036,695	236
08/09	916,976	266,904	631,112	18,960	60,208	72,021	1,049,204	239

Sanikiluaq (713)	Total	Domestic	Commercial	Streetlight		Station		Peak
Fiscal	Sales	Sales	Sales	Sales	Losses	Service	Generation	Load
Year	kWh	kWh	kWh	kWh	kWh	kWh	kWh	Kw
01/02	2,182,233	1,051,511	1,076,686	54,036	161,228	53,627	2,397,088	495
02/03	2,281,733	1,084,350	1,148,207	49,176	200,514	50,310	2,532,557	550
03/04	2,409,698	1,127,919	1,232,603	49,176	190,581	50,310	2,650,589	574
04/05	2,531,606	1,162,710	1,319,721	49,176	200,223	50,310	2,782,139	603
05/06	2,661,866	1,196,983	1,415,707	49,176	210,525	50,310	2,922,700	633
06/07	2,798,846	1,233,904	1,515,766	49,176	221,358	50,310	3,070,514	665
07/08	2,945,463	1,270,276	1,626,011	49,176	232,954	50,310	3,228,727	700
08/09	3,009,351	1,298,296	1,661,879	49,176	238,007	50,310	3,297,668	715

Qulliq Energy Corporation **Appendix N**
Average Community Rates **Table 11.4.1**
(Highest to lowest based on average community rate)

Line No.	Community	Average Community Rate $/kWh	Rate Variance Versus Average Nunavut Rate $/kWh	% Variance Versus Average Nunavut Rate
1	Whale Cove	0.7702	-0.2919	61.0%
2	Kimmirut	0.7037	-0.2254	47.1%
3	Pelly Bay	0.6326	-0.1543	32.3%
4	Resolute Bay	0.5696	-0.0913	19.1%
5	Grise Fiord	0.5676	-0.0893	18.7%
6	Taloyoak	0.5635	-0.0852	17.8%
7	Chesterfield Inlet	0.5395	-0.0612	12.8%
8	Kugluktuk	0.5188	-0.0405	8.5%
9	Coral Harbour	0.5187	-0.0404	8.4%
10	Pond Inlet	0.4995	-0.0212	4.4%
11	Gjoa Haven	0.4971	-0.0188	3.9%
12	Hall Beach	0.4958	-0.0175	3.7%
13	Arctic Bay	0.4726	0.0057	-1.2%
14	Repulse Bay	0.4529	0.0254	-5.3%
15	Sanikiluaq	0.4488	0.0295	-6.2%
16	Qikiqtarjuaq	0.4470	0.0313	-6.5%
17	Arviat	0.4251	0.0532	-11.1%
18	Clyde River	0.4123	0.0660	-13.8%
19	Cambridge Bay	0.3951	0.0832	-17.4%
20	Cape Dorset	0.3714	0.1069	-22.4%
21	Baker Lake	0.3707	0.1076	-22.5%
22	Pangnirtung	0.3462	0.1321	-27.6%
23	Igloolik	0.3243	0.1540	-32.2%
24	Rankin Inlet	0.3189	0.1594	-33.3%
25	Iqaluit	0.2969	0.1814	-37.9%
26				
27	Average Community Rate	0.4783		

Qulliq Energy Corporation **Appendix N**
Average Community Residential Rates **Table 11.4.2**
(Highest to lowest based on average community residential rate)

Line No.	Community	Average Community Residential Rate $/kWh	Rate Variance Versus Average Nunavut Residential Rate $/kWh	% Variance Versus Average Nunavut Residential Rate
1	Kimmirut	0.7349	-0.2466	50.5%
2	Whale Cove	0.7256	-0.2373	48.6%
3	Pelly Bay	0.6589	-0.1706	34.9%
4	Resolute Bay	0.5802	-0.0919	18.8%
5	Taloyoak	0.5711	-0.0828	17.0%
6	Chesterfield Inlet	0.5530	-0.0647	13.3%
7	Grise Fiord	0.5481	-0.0598	12.2%
8	Coral Harbour	0.5347	-0.0464	9.5%
9	Kugluktuk	0.5347	-0.0464	9.5%
10	Pond Inlet	0.5184	-0.0301	6.2%
11	Gjoa Haven	0.5060	-0.0177	3.6%
12	Hall Beach	0.5042	-0.0159	3.2%
13	Arctic Bay	0.4915	-0.0032	0.7%
14	Repulse Bay	0.4736	0.0147	-3.0%
15	Sanikiluaq	0.4557	0.0326	-6.7%
16	Qikiqtarjuaq	0.4454	0.0429	-8.8%
17	Arviat	0.4359	0.0524	-10.7%
18	Clyde River	0.4307	0.0577	-11.8%
19	Cambridge Bay	0.4163	0.0720	-14.7%
20	Baker Lake	0.3796	0.1087	-22.3%
21	Cape Dorset	0.3740	0.1143	-23.4%
22	Pangnirtung	0.3576	0.1307	-26.8%
23	Igloolik	0.3346	0.1537	-31.5%
24	Rankin Inlet	0.3282	0.1601	-32.8%
25	Iqaluit	0.3158	0.1725	-35.3%
26				
27	Average Community Residential Rate	0.4883		

Qulliq Energy Corporation **Appendix N**
Average Community Commercial Rates **Table 11.4.3**
(Highest to lowest based on average community commercial rate)

Line No.	Community	Average Community Commercial Rate $/kWh	Rate Variance Versus Average Nunavut Commercial Rate $/kWh	% Variance Versus Average Nunavut Commercial Rate
1	Whale Cove	0.8595	-0.4011	87.5%
2	Kimmirut	0.6412	-0.1828	39.9%
3	Grise Fiord	0.6065	-0.1481	32.3%
4	Pelly Bay	0.5800	-0.1216	26.5%
5	Resolute Bay	0.5484	-0.0900	19.6%
6	Taloyoak	0.5483	-0.0899	19.6%
7	Chesterfield Inlet	0.5124	-0.0540	11.8%
8	Kugluktuk	0.4872	-0.0288	6.3%
9	Coral Harbour	0.4867	-0.0283	6.2%
10	Gjoa Haven	0.4794	-0.0210	4.6%
11	Hall Beach	0.4791	-0.0207	4.5%
12	Pond Inlet	0.4617	-0.0033	0.7%
13	Qikiqtarjuaq	0.4503	0.0081	-1.8%
14	Sanikiluaq	0.4351	0.0233	-5.1%
15	Arctic Bay	0.4349	0.0235	-5.1%
16	Repulse Bay	0.4114	0.0470	-10.3%
17	Arviat	0.4034	0.0550	-12.0%
18	Clyde River	0.3755	0.0829	-18.1%
19	Cape Dorset	0.3661	0.0923	-20.1%
20	Baker Lake	0.3529	0.1055	-23.0%
21	Cambridge Bay	0.3527	0.1057	-23.1%
22	Pangnirtung	0.3234	0.1351	-29.5%
23	Igloolik	0.3036	0.1548	-33.8%
24	Rankin Inlet	0.3004	0.1581	-34.5%
25	Iqaluit	0.2591	0.1994	-43.5%
26				
27	Average Community Commercial Rate	0.4584		

Qulliq Energy Corporation
Average Community Rates
(Highest to lowest based on average community rate)

Appendix N
Table 11.5.1

Line No.	Community	Average Community Rate $/kWh	Nunavut Average Rate $/kWh	% Decrease	% Increase
1	Whale Cove	0.7702	0.4783	37.9%	
2	Kimmirut	0.7037	0.4783	32.0%	
3	Pelly Bay	0.6326	0.4783	24.4%	
4	Resolute Bay	0.5696	0.4783	16.0%	
5	Grise Fiord	0.5676	0.4783	15.7%	
6	Taloyoak	0.5635	0.4783	15.1%	
7	Chesterfield Inlet	0.5395	0.4783	11.3%	
8	Kugluktuk	0.5188	0.4783	7.8%	
9	Coral Harbour	0.5187	0.4783	7.8%	
10	Pond Inlet	0.4995	0.4783	4.2%	
11	Gjoa Haven	0.4971	0.4783	3.8%	
12	Hall Beach	0.4958	0.4783	3.5%	
13	Arctic Bay	0.4726	0.4783		1.2%
14	Repulse Bay	0.4529	0.4783		5.6%
15	Sanikiluaq	0.4488	0.4783		6.6%
16	Qikiqtarjuaq	0.4470	0.4783		7.0%
17	Arviat	0.4251	0.4783		12.5%
18	Clyde River	0.4123	0.4783		16.0%
19	Cambridge Bay	0.3951	0.4783		21.1%
20	Cape Dorset	0.3714	0.4783		28.8%
21	Baker Lake	0.3707	0.4783		29.0%
22	Pangnirtung	0.3462	0.4783		38.2%
23	Igloolik	0.3243	0.4783		47.5%
24	Rankin Inlet	0.3189	0.4783		50.0%
25	Iqaluit	0.2969	0.4783		61.1%
26					
27	Average Community Rate	0.4783			

Qulliq Energy Corporation **Appendix N**
Average Community Residential Rates **Table 11.5.2**
(Highest to lowest based on average community residential rate)

Line No.	Community	Average Community Residential Rate $/kWh	Nunavut Average Rate $/kWh	% Decrease	% Increase
1	Kimmirut	0.7349	0.4883	33.6%	
2	Whale Cove	0.7256	0.4883	32.7%	
3	Pelly Bay	0.6589	0.4883	25.9%	
4	Resolute Bay	0.5802	0.4883	15.8%	
5	Taloyoak	0.5711	0.4883	14.5%	
6	Chesterfield Inlet	0.5530	0.4883	11.7%	
7	Grise Fiord	0.5481	0.4883	10.9%	
8	Coral Harbour	0.5347	0.4883	8.7%	
9	Kugluktuk	0.5347	0.4883	8.7%	
10	Pond Inlet	0.5184	0.4883	5.8%	
11	Gjoa Haven	0.5060	0.4883	3.5%	
12	Hall Beach	0.5042	0.4883	3.1%	
13	Arctic Bay	0.4915	0.4883		-0.7%
14	Repulse Bay	0.4736	0.4883		3.1%
15	Sanikiluaq	0.4557	0.4883		7.2%
16	Qikiqtarjuaq	0.4454	0.4883		9.6%
17	Arviat	0.4359	0.4883		12.0%
18	Clyde River	0.4307	0.4883		13.4%
19	Cambridge Bay	0.4163	0.4883		17.3%
20	Baker Lake	0.3796	0.4883		28.6%
21	Cape Dorset	0.3740	0.4883		30.6%
22	Pangnirtung	0.3576	0.4883		36.6%
23	Igloolik	0.3346	0.4883		45.9%
24	Rankin Inlet	0.3282	0.4883		48.8%
25	Iqaluit	0.3158	0.4883		54.6%
26					
27	Average Community Residential Rate	0.4883			

Qulliq Energy Corporation **Appendix N**
Average Community Commercial Rates **Table 11.5.3**
(Highest to lowest based on average community commercial rate)

Line No.	Community	Average Community Commercial Rate $/kWh	Nunavut Average Rate $/kWh	% Decrease	% Increase
1	Whale Cove	0.8595	0.4584	46.7%	
2	Kimmirut	0.6412	0.4584	28.5%	
3	Grise Fiord	0.6065	0.4584	24.4%	
4	Pelly Bay	0.5800	0.4584	21.0%	
5	Resolute Bay	0.5484	0.4584	16.4%	
6	Taloyoak	0.5483	0.4584	16.4%	
7	Chesterfield Inlet	0.5124	0.4584	10.5%	
8	Kugluktuk	0.4872	0.4584	5.9%	
9	Coral Harbour	0.4867	0.4584	5.8%	
10	Gjoa Haven	0.4794	0.4584	4.4%	
11	Hall Beach	0.4791	0.4584	4.3%	
12	Pond Inlet	0.4617	0.4584	0.7%	
13	Qikiqtarjuaq	0.4503	0.4584		1.8%
14	Sanikiluaq	0.4351	0.4584		5.4%
15	Arctic Bay	0.4349	0.4584		5.4%
16	Repulse Bay	0.4114	0.4584		11.4%
17	Arviat	0.4034	0.4584		13.6%
18	Clyde River	0.3755	0.4584		22.1%
19	Cape Dorset	0.3661	0.4584		25.2%
20	Baker Lake	0.3529	0.4584		29.9%
21	Cambridge Bay	0.3527	0.4584		30.0%
22	Pangnirtung	0.3234	0.4584		41.8%
23	Igloolik	0.3036	0.4584		51.0%
24	Rankin Inlet	0.3004	0.4584		52.6%
25	Iqaluit	0.2591	0.4584		77.0%
26					
27	Average Community Commercial Rate	0.4584			

Qulliq Energy Corporation **Appendix O**
Metered Consumption Revenue Requirement **Table 12.1.1**
(in thousands of dollars)

Line No.		Forecast 2004/05
1	**Revenue Requirement $**	77,174
2		
3		
4	**Non-Metered Revenue $**	
5	Non-Metered Fixed Monthly Service Charge Revenue	2,894
6	Miscellaneous Revenue	1,080
7	Streetlight Revenue	1,064
8		
9		5,038
10		
11		
12	**Demand Revenue $**	2,747
13		
14		
15	**Metered Consumption Revenue Requirement $**	69,389
16		
17		
18	**Metered Consumption Sales Forecast kWh**	
19	Residential	52,021
20	Commercial	81,439
21		
22		133,460
23		
24		
25	**Metered Consumption Revenue Requirement $/kWh**	0.5199

Qulliq Energy Corporation **Appendix O**
Customers by Customer Class **Table 12.1.2**

Line No.	Customer Class	Number of Customers
1	Residential	
2		
3	Housing Support	3,561
4	Territorial Support	3,123
5	Residential Government	751
6	Residential Non-Government	424
7		
8		7,859
9		
10	Commercial	
11		
12	Commercial Government	1,163
13	Commercial Non-Government	783
14	Commercial Government Demand	297
15	Commercial Non-Government Demand	250
16		
17		2,493
18		
19	Other	
20		
21	Street Lights	63
22		
23	Total Customers	10,415

Qulliq Energy Corporation **Appendix O**
Metered Demand Revenue **Table 12.2.1**

Line No.	Plant No.	Community	Commercial Demand Non-Government $	Commercial Demand Government $
1	501	CAMBRIDGE BAY	65,986	77,432
2	502	GJOA HAVEN	29,927	33,696
3	503	TALOYOAK	14,834	32,404
4	504	PELLY BAY	20,237	17,766
5	505	KUGLUKTUK	57,634	61,541
6	601	RANKIN INLET	148,756	103,929
7	602	BAKER LAKE	45,193	85,260
8	603	ARVIAT	40,461	51,243
9	604	CORAL HARBOUR	18,822	45,780
10	605	CHESTERFIELD INLET	9,415	18,865
11	606	WHALE COVE	13,498	20,610
12	607	REPULSE BAY	35,672	30,496
13	701	IQALUIT	524,953	364,031
14	702	PANGNIRTUNG	53,150	64,379
15	703	CAPE DORSET	22,991	58,218
16	704	RESOLUTE	59,155	55,042
17	705	POND INLET	44,207	63,907
18	706	IGLOOLIK	32,197	50,371
19	707	HALL BEACH	15,294	14,680
20	708	QIKIQTARJUAQ	28,384	29,310
21	709	KIMMIRUT	17,733	19,409
22	710	ARCTIC BAY	9,811	23,786
23	711	CLYDE RIVER	11,993	24,314
24	712	GRISE FIORD	4,618	15,851
25	713	SANIKILUAQ	24,775	34,776
26				
27			1,349,696	1,397,094
28				
				2,746,790

Qulliq Energy Corporation
Non-Metered Monthly Service Charge Revenue

Appendix O
Table 12.3.1

Line No.	Customer Class	Number of Customers	Fixed Monthly Service Charge $	Months	Forecast 2004/05
1	Residential				
2					
3	Housing Support	3,561	18	12	769,176
4	Territorial Support	3,123	18	12	674,568
5	Residential Government	751	18	12	162,216
6	Residential Non-Government	424	18	12	91,584
7					
8		7,859			1,697,544
9					
10	Commercial				
11					
12	Commercial Government	1,163	40	12	558,240
13	Commercial Non-Government	783	40	12	375,840
14	Commercial Government Demand	297	40	12	142,560
15	Commercial Non-Government Demand	250	40	12	120,000
16					
17		2,493			1,196,640
18					
19					2,894,184

Qulliq Energy Corporation **Appendix O**
Miscellaneous Revenue **Table 12.4.1**
(in thousands of dollars)

Line No.	Description	Forecast 2004/05
1	Residual Heat	300
2	Joint Use	300
3	Miscellaneous Charges	400
4	Time and Materials	80
5		
6		1,080

Qulliq Energy Corporation
Streetlight Revenue

Appendix O
Table 12.5.1

Line No.	Streetlights	Quantity	Monthly Charge $	Months	Forecast 2004/05
1	Lights 100W HPS	1,327	22.36	12	356,001
2	Lights 100W HPS Private	11	22.36	12	2,951
3	Lights 175W MV	226	35.38	12	95,958
4	Lights 250W HPS	214	52.81	12	135,616
5	Lights 250W HPS Private	1	52.81	12	634
6	Lights 250W MV	781	49.99	12	468,539
7	Lights 250W MV Private	2	49.99	12	1,200
8	Lights 400W MV Private	3	78.33	12	2,820
9					
10		2,565			1,063,718

Qulliq Energy Corporation **Appendix O**
Revenue Requirement Allocations **Table 12.6.1**

Line No.	NPC Communities	Average Community Residential Rate $/kWh	Average Community Commercial Rate $/kWh	NTPC Diesel Communities	Average Community Residential Rate $/kWh (OLD)	Average Community Commercial Rate $/kWh (OLD)	Average Community Residential Rate $/kWh (NEW)	Average Community Commercial Rate $/kWh (NEW)
1	Kimmirut	0.7349	0.8595	Wha Ti	0.4944	0.5178	0.7682	0.7087
2	Whale Cove	0.7256	0.6412	Rae Lakes	0.5077	0.6721	0.8270	1.0160
3	Pelly Bay	0.6589	0.6065	Lutsel k'e	0.4212	0.3910	0.6206	0.5668
4	Resolute Bay	0.5802	0.5800	Fort Simpson	0.2981	0.2520	0.3680	0.2991
5	Taloyoak	0.5711	0.5484	Fort Liard	0.4227	0.3813	0.4004	0.3365
6	Chesterfield Inlet	0.5530	0.5483	Wrigley	0.4685	0.6436	0.7804	0.8490
7	Grise Fiord	0.5481	0.5124	Nahanni Butte	0.5681	0.8679	0.9573	1.3020
8	Coral Harbour	0.5347	0.4872	Jean Maire River	0.4986	0.8346	0.8458	1.2322
9	Kugluktuk	0.5347	0.4867	Tuktoyaktuk	0.4414	0.3722	0.6161	0.5384
10	Pond Inlet	0.5184	0.4794	Fort McPherson	0.3995	0.3393	0.5285	0.4607
11	Gjoa Haven	0.5060	0.4791	Aklavik	0.4007	0.3778	0.5734	0.5451
12	Hall Beach	0.5042	0.4617	Deline	0.4171	0.3824	0.5786	0.5327
13	Arctic Bay	0.4915	0.4503	Fort Good Hope	0.5087	0.4443	0.6398	0.5520
14	Repulse Bay	0.4736	0.4351	Tulita	0.6050	0.5999	0.8032	0.7731
15	Sanikiluaq	0.4557	0.4349	Paulatuk	0.6104	0.5527	0.9432	0.8769
16	Qikiqtarjuaq	0.4454	0.4114	Sachs Harbour	0.6256	0.6735	0.9775	0.8952
17	Arviat	0.4359	0.4034	Tsiigehtchic	0.6481	0.5659	0.9929	0.8673
18	Clyde River	0.4307	0.3755	Holman	0.5969	0.5517	0.7239	0.6584
19	Cambridge Bay	0.4163	0.3661					
20	Baker Lake	0.3796	0.3529	NTPC Average Community Rates	0.4963	0.5233	0.7192	0.7228
21	Cape Dorset	0.3740	0.3527					
22	Pangnirtung	0.3576	0.3234	Difference	0.0271	(0.0271)	0.0036	(0.0036)
23	Igloolik	0.3346	0.3036					
24	Rankin Inlet	0.3282	0.3004	Percentage	5.46%	-5.17%	0.50%	-0.50%
25	Iqaluit	0.3158	0.2591					
26				Note: Colville Lake has been omitted to avoid skewing the average			2.6660	2.3736
27	Average Community Rates	0.4883	0.4584					
	Difference	(0.0300)	0.0300					
	Percentage	-6.14%	6.54%					

Qulliq Energy Corporation
NTPC Rate Increases

Appendix O
Table 12.6.2

Diesel Communities

Line No.		Average Community Residential Rate $/kWh (OLD)	Average Community Residential Rate $/kWh (NEW)	$/kWh Increase	% Increase	Average Community Commercial Rate $/kWh (OLD)	Average Community Commercial Rate $/kWh (NEW)	$/kWh Increase	% Increase
1	Wha Ti	0.4944	0.7682	0.2738	55.4%	0.5178	0.7087	0.1909	36.9%
2	Rae Lakes	0.5077	0.8270	0.3193	62.9%	0.6721	1.0160	0.3439	51.2%
3	Lutsel k'e	0.4212	0.6206	0.1994	47.3%	0.3910	0.5668	0.1758	45.0%
4	Fort Simpson	0.2981	0.3680	0.0699	23.4%	0.2520	0.2991	0.0471	18.7%
5	Fort Liard	0.4227	0.4004	(0.0223)	-5.3%	0.3813	0.3365	(0.0448)	-11.7%
6	Wrigley	0.4685	0.7804	0.3119	66.6%	0.6436	0.8490	0.2054	31.9%
7	Nahanni Butte	0.5681	0.9573	0.3892	68.5%	0.8679	1.3020	0.4341	50.0%
8	Jean Maire River	0.4986	0.8458	0.3472	69.6%	0.8346	1.2322	0.3976	47.6%
9	Tuktoyaktuk	0.4414	0.6161	0.1747	39.6%	0.3722	0.5384	0.1662	44.7%
10	Fort McPherson	0.3995	0.5285	0.1290	32.3%	0.3393	0.4607	0.1214	35.8%
11	Aklavik	0.4007	0.5734	0.1727	43.1%	0.3778	0.5451	0.1673	44.3%
12	Deline	0.4171	0.5786	0.1615	38.7%	0.3824	0.5327	0.1503	39.3%
13	Fort Good Hope	0.5087	0.6398	0.1311	25.8%	0.4443	0.5520	0.1077	24.2%
14	Tulita	0.6050	0.8032	0.1982	32.8%	0.5999	0.7731	0.1732	28.9%
15	Paulatuk	0.6104	0.9432	0.3328	54.5%	0.5527	0.8769	0.3242	58.7%
16	Sachs Harbour	0.6256	0.9775	0.3519	56.3%	0.6735	0.8952	0.2217	32.9%
17	Tsiigehtchic	0.6481	0.9929	0.3448	53.2%	0.5659	0.8673	0.3014	53.3%
18	Holman	0.5969	0.7239	0.1270	21.3%	0.5517	0.6584	0.1067	19.3%
19									
20	NTPC Averages	0.4963	0.7192	0.2229	43.7%	0.5233	0.7228	0.1995	36.2%

Qulliq Energy Corporation **Appendix P**
Cost of Service Allocation **Table 12.7.1**

Line No.						
1	**Energy**	**Generation**	**Losses**	**Station**	**Sales**	**Revenue**
2		**(kWh)**	**(kWh)**	**(kWh)**	**(kWh)**	**(000)**
3						
4	Residential	57,782,102	3,540,337	2,220,561	52,021,204	19,004
5	Commerical	90,457,710	5,542,386	3,476,282	81,439,041	29,751
6	Streetlights	2,237,295	137,080	85,979	2,014,236	736
7						
8	Subtotal	150,477,107	9,219,803	5,782,823	135,474,481	49,491
9						
10						
11	**Demand**			**NCP**	**CP**	**Revenue**
12		**NCP-LF**	**CF**	**(kW)**	**(kW)**	**(000)**
13						
14	Residential	40%	0.86	14,846	12,768	8,739
15	Commerical	47%	0.80	19,780	15,824	10,831
16	Streetlights	48%	1.00	479	479	328
17						
18	Subtotal			35,105	29,071	19,898
19						
20	Total					69,389
21						
22		**Revenue**	**Sales**	**Rate**	**Percentage**	
23		**(000)**	**(kWh)**	**($/kWh)**		
24						
25	Residential	27,743	52,021,204	0.5333	40.0%	
26	Commerical	40,582	81,439,041	0.4983	58.5%	
27	Streetlights	1,064	2,014,236	0.5281		
28						
29	Total	69,389	135,474,481			
30						
31						
32	Legend					
33						
34	NCP - LF	Non Coincidence Peak - Load Factor				
35	CF	Coincidence Factor				
36	NCP	Non Coincidence Peak				
37	CP	Coincidence Peak				

Qulliq Energy Corporation **Appendix P**
Cost of Service Allocation - Demand and Energy **Table 12.7.2**

Line		Forecast (000)	Demand (000)	Energy (000)	Total (000)
1	Operations and Maintenance				
2	Fuel and lubricants	23,897	-	23,897	23,897
3	Fuel and lubricants - August 1 fuel price increase	3,681	-	3,681	3,681
4	Salaries and wages	17,316	8,658	8,658	17,316
5	Supplies and services	12,936	6,468	6,468	12,936
6	Travel and accommodations	3,511	1,756	1,756	3,511
7		61,341	16,882	44,460	61,341
8					
9	Reserves				
10	Reserve for injuries and damages	150	75	75	150
11	Rate hearing reserve	100	50	50	100
12		250	125	125	250
13	Amortization				
14	Capital Asset Amortization	5,950	5,950	-	5,950
15	Financing Costs Amortization	497	497	-	497
16		6,447	6,447	-	6,447
17					
18	Return on Rate Base	9,136	3,149	5,987	9,136
19					
20	Total Revenue Requirement	77,174	26,603	50,571	77,174
21					
22	Less:				
23	Non-Metered Fixed Monthly Service Charge Revenue	(2,894)	(2,894)		
24	Miscellaneous Revenue	(1,080)		(1,080)	
25	Streetlight Revenue	(1,064)	(1,064)		
26	Metered Demand Revenue	(2,747)	(2,747)		
27					
28	Metered Consumption Revenue Requirement	69,389	19,898	49,491	69,389

Appendix P
Cost of Service Allocation Methodology

The following commentary describes the Corporation's cost of service allocation methodology:

The cost of service and resulting revenue requirement must be allocated to customers based on function, classification and usage. Factors contributing to cost of service allocation were derived from customer billing records, internal load forecasts, previous NWT Board Decisions and information provided by other Canadian electricity utilities.

Function Allocation Factors

Typically, utility costs are allocated by function between generation, transmission, distribution and customer service. For simplicity, the Corporation has consolidated all costs under generation since it does not have transmission infrastructure, significant recoverable distribution costs or large industrial or wholesale customers to which significant portions of the costs of service could be attributed.

Classification

The costs of service have been allocated between demand and energy requirements. Based on NWT Board Decision 5-95, all Operating and Maintenance expenses other than fuel and lubricants have been allocated 50% to demand and 50% to energy. Fuel and lubricants have been allocated 100% to energy. Return on rate base as been prorated between demand and energy requirements.

Forecast non-metered revenue has been deducted from the metered energy revenue requirement. Miscellaneous revenue has been deducted from the forecast total revenue requirement. Forecast fixed monthly service charges, streetlight revenue and metered demand revenue have been deducted from the demand requirement.

Usage

Demand Allocation Factors

The Corporation has not undertaken load research on its residential, commercial or streetlight customers. The Corporation has adopted the load and coincidence factors recently approved for residential, commercial and streetlight customers in the Northwest Territories.

Customer Load and Coincidence Factors

Customer	Load Factor (%)	Coincidence Factor
Residential	40	0.86
Commercial	47	0.80
Streetlights	48	1.00

Energy Allocation Factors

Energy costs are allocated to customers based on electricity sales represented by generation net of distribution losses and station service consumption.