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UTILITY RATES REVIEW COUNCIL OF NUNAVUT

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CONSEIL D'EXAMEN DES TAUX DES ENTREPRISES DE SERVICES DU NUNAVUT

2016
ANNUAL REPORT
UTILITY RATES REVIEW COUNCIL
OF NUNAVUT



UTILITY RATES REVIEW COUNCIL OF NUNAVUT

ANNUAL REPORT

For the fiscal year ending March 31, 2016

2. PURPOSE

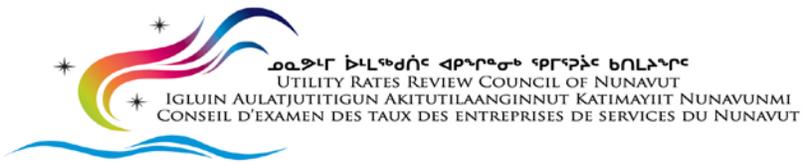
The purpose of the Review Council as outlined in Section 7 of the URRC Act:

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 Qulliq Energy Corporation, concerning applications for permission for major capital projects under Section 18.1 of the Qulliq Energy Corporation Act.*

3. ORGANIZATION

The Review Council consists of five members appointed for a term of three years. The Minister responsible for the URRC appoints members of the Review Council and designates one member of the Review Council as chair and one member as vice-chair.



The Minister responsible for the URRC is responsible for appointing Council members. As of March 31, 2016, the following members are on the URRC:

Raymond Mercer	Chair
Anthony Rose	Vice Chair
Jimmy Akavak	Member
Graham Lock	Member
Robbin Sinclair	Member

Temporary Members

The responsible Minister for the URRC, on the request of the council, may appoint, in addition to the members appointed under Section 3 (1) of the URRC Act, 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 and duties of the temporary members. Temporary members were not required for this fiscal year.

Executive Director

Under Section 3 (9), the Review Council may appoint an executive director and fix the terms and conditions of the appointment. Duties of executive director are under Section 3 (10), the executive director shall (a) keep a record of all proceedings of the Review Council and have custody of all of the Review Council's records and documents; and (b) perform any other duties that may be assigned by the Review Council. Rod Stockley has provided interim service as executive director from September 2015 and will continue until June 2016. Following a year of deferred leave, Laurie-Anne White is expected to continue her duties as executive director in June 2016.

Consultants

Mr. Raj Retnanandan has been retained on contract as per Section 8 (1) (b) of the URRC Act as an advisor to the URRC. Mr. Retnanandan comes to the URRC with extensive knowledge and expertise in energy management and regulatory consultations.

Mr. John Donihee continues to be retained as per Section 8 (1) (b) of the URRC Act, as Legal Counsel to the URRC. Mr. Donihee comes to the URRC with extensive knowledge and expertise in energy law and regulatory consultations.

BUDGET

In 2015-2016 the Review Council operating and maintenance budget was \$528,000. The Review Council remained within its budget for the year.

4. SUMMARY OF 2015-2016 RECOMMENDATIONS:

The following recommendations were made with respect to rates in regards to the Application for a Fuel Stabilization Rider (FSR) for the November 1, 2015 to March 31, 2016 period made by the Qulliq Energy Corporation (QEC) – URRC Report 2016-01:

Qulliq Energy Corporation (QEC), as a designated utility, is required pursuant to Section 12 (1) of the Utility Rates Review Council Act (Act), to seek approval from the responsible Minister for the QEC (Minister), prior to imposing a rate or tariff. The responsible Minister in turn is required pursuant to Section 12 (2) of the Act, to seek the advice of the Utility Rates Review Council (URRC) on the utility's request to impose a rate or tariff.

By Letter dated November 6, 2015, QEC applied to the Minister responsible for QEC, requesting approval for a Fuel Stabilization Rate (FSR) refund rider of 1.80 cents per kWh, from November 1, 2015 to March 31, 2016. By letter dated November 6, 2015 the Minister requested advice from the URRC with respect to the Application.

1. Section 13 (1) of the Act states:

The Review Council, 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

In accordance with the above the URRC recommends that a fuel stabilization refund rider of 1.80 cents per KWh be approved for QEC, for the period November 1, 2015 to March 31, 2016.

5. CANADIAN ASSOCIATION OF MEMBERS OF PUBLIC UTILITY TRIBUNAL (CAMPUT)

The URRC continued its ongoing association with CAMPUT in 2015-2016. The membership of CAMPUT is made up of all the Boards and Councils from the ten provinces and three territories in addition to the National Energy Board. As part of their ongoing goal of improving all types of regulation in Canada, CAMPUT also admitted a number of quasi-judicial boards as associate members to CAMPUT. A full list of CAMPUT membership can be found at the end of this report.

The Chair and the executive director along with one council member attended the annual CAMPUT educational conference. This is part of the Council's continuing education. In May this year the conference was held in Calgary, AB. The conference brought together regulators and utilities from across North America to discuss emerging regulatory issues. These annual conferences are informative and well attended; most regulators as well as utilities and their staff are in attendance.

As well, the URRC attended the CAMPUT annual general meeting (AGM) in September 2015. It was held in Charlottetown, PEI. This meeting brings together the member boards from across Canada to discuss events and issues that affect the regulatory community. The URRC was represented by the chair, one council members and the interim executive director.

Appendix I

CAMPUT Member Boards

The current CAMPUT membership includes the following federal, provincial and territorial boards and commissions:

- Alberta Utilities Commission
- British Columbia Utilities Commission
- Manitoba Public Utilities Board
- National Energy Board
- New Brunswick Energy and Utilities Board
- Newfoundland & Labrador Board of Commissioners of Public Utilities
- Northwest Territories Public Utilities Board
- Nova Scotia Utility and Review Board
- Nunavut Utility Rates Review Council
- Ontario Energy Board
- Prince Edward Island - Island Regulatory and Appeals Commission
- Régie de l'énergie du Québec
- Saskatchewan Rate Review Panel
- Yukon Utilities Board

CAMPUT Associate Members

- Alberta Energy Regulator
- Canada - Nova Scotia Offshore Petroleum Board (CNSOPB)
- Canadian Nuclear Safety Commission (CNSC)
- Comisión Reguladora de Energía (CRE), Mexico
- Utilities Regulation & Competition Authority (URCA), Bahamas

NOTE: While CAMPUT has 14 member boards and commissions, and 5 associate member boards and commissions, all current board members/commissioners and staff of member boards and commissions are considered to be individual members of CAMPUT.

CAMPUT Executive Committee:

The affairs of CAMPUT are directed and managed by its Executive Committee which is elected annually from the Association's membership. The Committee comprises the Chair, Vice-Chair, Past Chair, Secretary-Treasurer, Chair of the Education Committee, and the Chair of the Regulatory Affairs Committee. The executive director of CAMPUT provides support to the Executive Committee and manages the day-to-day operations of the Association.

Executive Committee:

Willie Grieve, Q.C.

Chair

Board/Commission: Alberta Utilities Commission

(403) 592-4525

willie.grieve@auc.ab.ca

Murray Doehler

Vice Chair

Board/Commission: Nova Scotia Utility and Review Board

(902) 424-4448

murray.doehler@novascotia.ca

Jamie Ballem

Secretary-Treasurer

Board/Commission: National Energy Board

(902) 629-1581

jamie.ballem@neb-one.gc.ca

Régis Gosselin

Chair, Regulatory Affairs

Board/Commission: Manitoba Public Utilities Board

(204) 945-2460

regis.gosselin@gov.mb.ca

Louis Legault

Chair, Education

Board/Commission: Régie de l'énergie

(514) 873-2452, ext. 305

louis.legault@regie-energie.qc.ca

Karen Keilty

Member at Large



Board/Commission: British Columbia Utilities Commission

(604) 660-4700

karen.keilty@bcuc.com

Ken Quesnelle

Past Chair

Board/Commission: Ontario Energy Board

(416) 440-7731

ken.quesnelle@ontarioenergyboard.ca

CAMPUT Executive Director:

Terry Rochefort

Executive Director

CAMPUT

(905) 827-5139

rochefort@camput.org