

# Qulliq Energy Corporation

Corporate Plan 2017-2021



## Table of Contents

1.0	Introduction	3
2.0	Environmental Scan	5
3.0	Inuit Employment Plan (Article 23)	9
4.0	Core Business	10
5.0	Corporate Priorities	12
6.0	Conclusion	30

### Appendices

	Appendix A 2017-2018 Capital Budget	31
	Appendix B 2017-2018 Operations & Maintenance Budget	33
	Appendix C Employment Summary	35

## 1.0 Introduction

Qulliq Energy Corporation (QEC) is a territorial corporation wholly owned by the Government of Nunavut (GN). The corporation was originally established in 2001 as the Nunavut Power Corporation (NPC) under the *Nunavut Power Utilities Act*, and subsequently renamed Qulliq Energy Corporation in 2003. The *Nunavut Power Utilities Act* was also renamed the *Qulliq Energy Corporation Act* as the result of legislation passed in March of 2003, which broadened the corporation's mandate to respond to a range of energy use and conservation issues within Nunavut.

QEC delivers electricity to approximately 15,000 electrical customers across Nunavut. QEC generates and distributes power to Nunavummiut through the operation of 25 stand-alone diesel power plants in 25 communities, with a total installed capacity of about 76,000 kW. The corporation also provides mechanical, electrical and line maintenance from three regional centers: Iqaluit, Rankin Inlet and Cambridge Bay. The corporation's business activities are maintained at the head office located in Baker Lake and corporate office in Iqaluit.

The corporation attends to the overall objectives provided by legislation, supports the Minister responsible for QEC on intergovernmental and regulatory issues, has the mandate to manage the capital projects of the corporation, and responds to issues of alternative generation sources.

### 1.1 Vision

The corporation's vision is to provide to the communities of Nunavut a safe, reliable, sustainable, and economical energy supply and service. The foundation of our vision is an empowered and accountable workforce. It is a representative of Nunavut's population and reflective of Inuit societal values. We operate as an enterprise with transparency, accountability and integrity.

### 1.2 Mission

The corporation's mission statement is as follows:

***QEC provides safe, reliable and efficient electricity and plans long term affordable energy for Nunavummiut.***

### 1.3 Values

The values included within the mission statement are:

***Safety*** is and will continue to be the corporation's first priority. This fact is communicated to and reflected in policies and procedures for the corporation's employees clearly and consistently.

***Reliability*** is second only to safety. The focus of the corporation's day-to-day operations is the provision of safe and reliable service to customers.

***Efficiency*** is applicable to all of the corporation's operational and administrative activities. Efficiency indicates QEC's intention to respect the investment in the corporation made by Nunavummiut, and to use resources with clear attention to reasonableness and value.

#### 1.4 Corporate Objectives and QEC's Commitment to Nunavummiut

The vision, mission, and values of Qulliq Energy Corporation stem from the corporate objectives, as prescribed in section 5 of the *Qulliq Energy Corporation Act* 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.

The fourth Assembly's Mandate *Sivumut Abluqta: Stepping Forward Together* has four key priorities, of which one is self-reliance and optimism through education and training. In this regard, QEC will continue to support Inuit employment and training.

The guiding principles that will facilitate the GN and QEC to meeting their visions are the same Inuit societal values that have led Nunavummiut and will continue to guide the GN and QEC into the future:

<b>Inuuqatigiitsiarniq:</b>	respecting others, relationships and caring for people.
<b>Tunnganarniq:</b>	fostering good spirit by being open, welcoming and inclusive.
<b>Pijitsirniq:</b>	serving and providing for family and/or community.
<b>Aajiqatigiinni:</b>	decision making through discussion and consensus.
<b>Pilimmaksarniq/Pijariuqsarniq:</b>	development of skills through observation, mentoring, practice, and effort.
<b>Piliriqatigiinni/Ikajuqtigiinni:</b>	working together for a common cause.
<b>Qanuqtuurniq:</b>	being innovative and resourceful.
<b>Avatittinnik Kamatsiarniq:</b>	respect and care for the land, animals and the environment.

The corporation's objectives include and are consistent with the objectives of the 4th Legislative Assembly of Nunavut. The GN and QEC are committed to:

- Reduced dependency on diesel through heat recovery and distribution systems, and alternative generation planning;
- Environmental protection and monitoring of fuel purchasing, storage and supply;
- Inuit apprenticeship and internship employment programs that remove barriers to employment;
- Responses and solutions relating to the recommendations of the Office of the Auditor General and Legislative Assembly Standing Committees;
- Services to the public in Nunavut's official languages;
- Administration of electricity rate subsidy programs for the GN;
- Capital planning to support territorial and municipal infrastructure improvements; and
- Accountability, transparency, integrity, and managing in a fiscally responsible manner.

## 1.5 Logo

The corporation's logo, adapted from the previous QEC logo, was unveiled by the Board of Directors in 2011. It was created to keep the corporation compliant with language legislation passed in the Legislative Assembly of Nunavut. The logo is a symbol that incorporates one of the most traditional of all Inuit tools, the qulliq, the historic source of light and heat for Inuit.



The symbolism of the qulliq is clear and relevant to the corporation's name. The means of providing heat and light in the 21<sup>st</sup> century may have changed, but the importance has not diminished.

## 2.0 Environmental Scan

QEC operates within a broad spectrum of social, political, geographical, environmental and economic conditions specific to the unique challenges of generating and distributing electricity in Nunavut.

### 2.1 Social

Nunavut is the newest of Canada's territories, with a young and growing population of approximately 37,280 (as of January 2017) individuals situated in 25 widely distanced and isolated communities. The 15 larger communities have between one and eight thousand residents and the 10 smaller communities have less than one thousand residents. While employed Nunavummiut are

typically well remunerated, wage-economy opportunities and economic activity in Nunavut are limited.

QEC operates within the context of an approximate 85% Inuit populace and within the framework built by the *Nunavut Land Claims Agreement* (NLCA). In particular, the corporation works to implement Article 23 of the NLCA which requires efforts to create a representative public service.

## **2.2 Political**

The GN and the Minister responsible for QEC play a significant role in the corporation's activities. The GN is the corporation's sole shareholder and is also its largest customer, its largest supplier, its ultimate regulator and the source of consumer subsidy regimes.

QEC submits applications for rate changes to the Minister responsible who may then seek the advice of the Utility Rates Review Council (URRC). The purpose of URRRC is to make rate recommendations to the responsible Minister, which could be the Minister responsible for the URRRC or the Minister responsible for QEC, depending upon the circumstance. The responsible Minister determines whether to implement URRRC's recommendation, QEC's request, or may instruct that the application process begin again subject to Cabinet approval.

The corporation's Board of Directors is appointed by the Minister responsible. Since 2005-2006, the Minister responsible for QEC has provided an annual Letter of Expectation to the corporation. The purpose of this letter is to help provide the QEC's Board of Directors direction in defining the priorities and desired outcomes of the corporation while reinforcing the importance of QEC's relationship with the GN.

One of the priorities of the fourth Legislative Assembly is to increase the territory's self-reliance. For QEC, this would mean reducing the corporation's reliance on imported diesel fuel for energy. Therefore, QEC must continue to seek alternatives to diesel fuel for electricity generation by focusing on renewable energy sources in Nunavut such as hydro, wind and solar power while promoting efficient energy use.

## **2.3 Rate Regulation Activity**

On May 30, 2014, the Minister responsible for QEC gave instruction to QEC to increase rates by 7.1% across all customer classes and communities, effective May 1, 2014. In the same instruction, the Minister accepted revisions to the Terms and Conditions of Service and the Fuel Stabilization Rate Fund.

QEC prepares a Fuel Stabilization Rate Fund (FSRF) forecast every six months. When actual fuel prices vary from those included in approved base electricity rates, the FSRF is charged or credited with the difference from the approved General Rate Application (GRA) fuel prices. When the balance in the FSRF exceeds the \$1 million negative or positive threshold, QEC files an FSR application to impose a rider or a refund to return the forecast FSRF balance to zero. The rider or refund is imposed on all customers with the exception of those in public housing who are subsidized under Nunavut Housing Corporation's User Pay Program.

Due to a drop in the price of fuel announced by the GN in January 2017, an FSR refund of 8.23¢ per kilowatt hour is being applied to customers' bills for the period of April 1 to September 30, 2017. In the past two years, QEC provided three other rate refunds of:

- 5.26¢ per kilowatt hour for the period of October 1, 2016, to March 31, 2017
- 3.07¢ per kilowatt hour for the period of April 1 to September 30, 2016
- 1.8¢ per kilowatt hour for the period of November 1, 2015, to March 31, 2016

For capital projects that have a total cost exceeding \$5 million, the corporation must file a Major Project Permit (MPP) in advance of project commencement to the Minister responsible for QEC for permission to proceed with the project. The Minister's approval is required before the project can be approved by the QEC Board in a capital budget submission.

QEC has contracted the services of InterGroup Consultants Ltd. to provide support to QEC in the preparation and regulatory review of QEC's 2018-2019 Phase I and Phase II GRA. The work commenced in June 2016 and the expected delivery date of the final draft of the GRA is for the end of August 2017. The GRA is expected to be filed with the Minister responsible for QEC in September 2017, which allows sufficient time for the review and instruction in advance of the proposed implementation date of April 1, 2018.

QEC is undertaking three projects to address recommendations from the URRC in preparation for QEC's 2018-2019 GRA. These projects are as follows:

1. Complete a load forecast review and implementation plan
2. Review the capital planning process
3. Complete a depreciation study

## **2.4 Geographic**

QEC serves 25 locations, all but one located north of 60°. There are no roads linking communities and there is no shared transmission grid. Nunavut is unique in that it spans four time zones and covers nearly 2 million square kilometres of land mass. Supplies and fuel arrive either by boat in the limited Arctic shipping season, or by air when deemed necessary.

Using the decentralized model adopted by the GN, the corporation has regional offices in Rankin Inlet and Cambridge Bay, corporate headquarters located in Baker Lake, as well as executive and regional offices in Iqaluit.

## **2.5 Environmental**

QEC operates in some of the most rigorous environmental conditions of any utility in the world. Weather, distance, and darkness generate stresses on employees, assets, and equipment. Operating standards tend to be set based on general Canadian conditions and resources, and the expectation to maintain a pristine Arctic is reflected in environmental protection pressures. Most corporate employees live and work in their home communities across Nunavut, participate in the traditional economy with its dependence on the land and sea, and feel a strong personal commitment to sustainable use.

The Northern Canada Power Commission (NCPC) was responsible for supplying power to the territory from 1949 to 1988. Operations were then transferred to Northwest Territories Power Corporation (NTPC). After official territorial division from the Northwest Territories in 1999, Nunavut established its own locally managed utility as the Nunavut Power Corporation (NPC) in 2001. NTPC and the NPC each agreed to manage environmental issues in their respective territories and to work together to obtain accountability from prior operators.

QEC has adopted the same stance for environmental contamination issues that the Government of Nunavut currently abides by. The corporation has committed to implement remedial measures when human health is at risk. Through emergency planning, the corporation's Health, Safety and Environment department is thoroughly engaged in prevention and remediation with a focus on training.

QEC's environmental staff will also continue detailed delineation studies at power plant sites to determine the amount, type and concentration levels of any contamination on corporate property.

Outdoor work continues to be necessary for many QEC employees, even as Arctic winters and darkness create hardships and hazards. QEC delivers electricity to communities under what are arguably one of the world's harshest environmental conditions.

## **2.6 Economic**

QEC's greatest expense is fuel. Fuel used for the production of electricity in Iqaluit is purchased from both the Petroleum Products Division (PPD) and Uqsuq Corporation. Fuel in all other communities is purchased from the GN Department of Community and Government Services. About one third of the fuel purchased is delivered directly from fuel tankers into QEC owned fuel tanks where QEC is charged bulk prices. The other two thirds is purchased from PPD and Uqsuq Corporation throughout the year from their local agents where QEC is charged nominated prices. Nominated fuel prices are higher than bulk fuel prices due to the additional handling cost that PPD and Uqsuq Corporation incur.

In the longer term, higher or fluctuating fuel prices will allow diesel generation alternatives to become increasingly viable across Nunavut. The long-term diversification of the generation supply mix will alleviate dependency on imported fossil fuels and help to address diesel related environmental concerns.

The second largest item in QEC's budget is compensation and benefits. This item is also a driver of increased rates and is governed by the collective agreement that is negotiated about every three years.

## **2.7 Load Growth**

QEC continues to operate in a time where load growth in each of Nunavut's regions is forecasted to increase in the near future. Across Nunavut, both federal and GN departments, agencies and municipalities are mobilizing to provide improved infrastructure to Nunavummiut. The corporation is working to keep up with load growth with limited resources – financial and personnel



wise. The economies of scale, a limited revenue stream from a small customer base, and short shipping and construction seasons make it difficult to maintain and expand QEC's infrastructure to meet growing customer demand.

The Kitikmeot Region, specifically Cambridge Bay, is experiencing notable growth due to the new Canadian High Arctic Research Station (CHARS). As per the Memorandum of Understanding signed by QEC and CHARS on March 2, 2016, CHARS confirmed that they will buy power from the corporation and have contributed funds to purchase the new diesel generator set required to meet the station's electricity needs. The CHARS campus alone will increase Cambridge Bay's current power plant capacity by approximately 40 percent.

The GN's Capital Plan to upgrade, expand, or replace infrastructure in communities is one driver of load growth. QEC's Senior Management relies upon its relationship with the GN Department of Community and Government Services, and the analysis of the GN's annual Main Estimates, to gather information on the various major projects scheduled over the coming years. In addition to territorial and federal government driven major projects, newly built houses and private enterprise initiatives are adding to demand on the generating capacity of each community.

### **3.0 Inuit Employment Plan**

QEC continues to be one of the most successful Nunavut corporations in hiring, training, and retaining Nunavut Inuit employees with an Inuit employment rate of 50% as at March 2017. Of QEC's Inuit employees, 30% are enrolled in long term career development plans.

The QEC Inuit Employment Plan (IEP) consists of five programs. Each program is an independent but interconnected recruitment or development opportunity. Each program was developed in line with QEC's strategy of growing the corporation's capacity. The plan's mandate is to move both current Inuit employees and new Inuit hires to planned levels of skill growth and career opportunity. QEC's most recent employment statistics are included in Appendix C.

- 1) The Inuit Leadership Development Program (ILDLP) aims to increase employment for Nunavut Land Claims Agreement (NLCA) Inuit at the professional, management, and senior management levels. Most professional and management positions at QEC require a formal education and/or a professional designation requiring a degree in one of the following areas listed below:
  - Accounting;
  - Engineering;
  - Finance;
  - Human Resource Management; and
  - Information Technology.

As part of this program QEC provides scholarships in each of the degree streams. The scholarships are intended to remove financial barriers, allowing students to focus on their academic success, and subsequently, their career at QEC.

- 2) Inuit Employee Development Plans (IEDP) were established as part of QEC's commitment to lifelong learning for Inuit employees. With support from a supervisor, completing the development plan process helps to ensure employees have the knowledge, skills, leadership competencies and abilities to achieve career driven and corporate goals.

Through formal education, on-the-job learning and meaningful work experiences, employees will work toward the next step on their career ladder as identified in their career development plan. Lateral moves within the corporation and between departments and positions also provide significant opportunities for cross training.

- 3) The QEC Summer Student Program (SSP) provides students with an opportunity to work with the corporation. Students are hired for positions in their own community thus giving them exposure to local opportunities.

Students in the SSP can also be considered for other IEP opportunities and future employment with the corporation. Students that are identified by their manager as high potential candidates for the ILDP will have an opportunity to interview and apply for the program.

- 4) The Apprenticeship Program was developed to reduce the dependency on hiring tradespeople outside of Nunavut. The recruitment of professional journeypersons to come live, work and remain has become a significant expenditure for QEC. Competition from companies both in and outside the territory has resulted in extended positional vacancies. This program is a proactive step in providing QEC's Operations Department with skilled tradespeople.
- 5) QEC plans to reconvene the IEP Committee which is mandated to review, analyze, and provide feedback to senior management on policies and employment practices as they influence Inuit employment.

Working collaboratively, the IEP Committee will act as a formal group to exchange ideas, concerns and solutions related to the program as identified by its members.

## **4.0 Core Business**

The corporation's core business is the generation and distribution of electricity in twenty-five communities across Nunavut. Safety, reliability and efficiency continue to be the standards for these services.

The business of electricity generation needs to be conducted in a way which is environmentally responsible and economically responsive. This includes:

- Emphasis on safety and environmental responsibility;
- Development of heat recovery and distribution system projects;
- Attention to fuel efficiencies in both capital and operations phases; and

- Attention to purchasing, spending and financial management practices.

Evident by a 99.79% reliability rate across the territory as of March 31, 2017, the corporation resolves all power outages as quickly and safely as possible. Managers and employees continue to find ways to enhance delivery, reduce cost and improve operational efficiencies.

#### **4.1 Power Plant Replacements**

Typically, a power plant is designed to function for 40 to 50 years. The corporation owns and operates 25 diesel power plants across Nunavut, 13 of which are operating beyond their intended life span.

Through QEC's capital funding, the corporation is able to rebuild power plants and do major capital overhauls to aging infrastructure and equipment that is at the end of its useful service life. QEC's capital expenditures ensure Nunavummiut are supplied with safe and reliable energy.

Since 2016, QEC had major infrastructure expansions and power plant replacements in its capital plan. New power plants were built in the communities of Taloyoak and Qikiqtarjuaq, and replacement power plant was completed in Pangnirtung after the original was destroyed by fire in 2015. QEC expects to complete more new power plants in Cape Dorset, Grise Fiord, and Kugluktuk by the year 2022.

QEC has prioritized power plant replacements in its capital plan, as well as generator set replacements, fuel efficiency equipment, and environmental and regulatory requirements to address safety concerns.

#### **4.2 Alternative Energy**

Currently all electricity generated by QEC relies on imported fossil fuel supplies, however the corporation continuously seeks ways to move toward a cleaner energy future by diversifying the territory's supply mix.

Through researching the viability of alternatives to diesel generation, QEC has made strides in implementing initiatives targeted at reducing fuel consumption, decreasing greenhouse gas emissions, and minimizing the environmental impact on Nunavut's communities.

Some of these initiatives include:

- Optimizing fuel efficiency in diesel power plants by incorporating proven technologies;
- Harvesting residual heat from diesel generators and supplying it to clients for their space heating to reduce fuel consumption;
- Analyzing existing District Heating Systems (DHS) for optimization and expansion;
- Harnessing solar power at the Iqaluit power plant through a pilot project that integrated the renewable energy system to the grid for the first time;
- Securing funding for LED lighting projects to improve energy efficiency and to incorporate industry best practices with developing technologies;

- Utilizing the data from a wind resource assessment study to identify communities where wind is a potential source of renewable energy; and
- Implementing a Net Metering Program to allow eligible customers to produce their own electricity through renewable generation systems, send excess energy they generate to QEC's grids and receive credits for future electricity use.

QEC is having discussions with the Government of Nunavut to determine the most economical and environmentally sound alternatives aimed to reduce the territory's fuel consumption and carbon footprint. The corporation is also researching funding opportunities within the new federal budget that would allow QEC to pursue federal government contributions for renewable energy projects.

## 5.0 Corporate Priorities 2017 - 2021

The priorities are delineated by functional department and derived from the corporation's core mandate, by direction received from the QEC Board of Directors and the Government of Nunavut and are aligned with the strategic goals outlined in the QEC's 2016-2019 Strategic Plan, which are as follows:

- Goal 1** QEC will reduce dependence on fossil fuels through conservation and alternative energy by 2% by 2019.
- Goal 2** QEC will be a leading employer in the Territory by promoting training and retention with targets of 90% staffing levels and turnover of less than 10% by 2019.
- Goal 3** QEC will make its regulated rate of return annually.
- Goal 4** QEC will demonstrate leadership performance through accountable and transparent communication with all Nunavummiut.

### 5.1 Board of Directors

#### Priorities (2016-2017)

- The QEC Board will implement an annual Directors and Board Evaluation Process.  
*Status: A Governance Committee will develop an evaluation process in 2017-2018.*
- The QEC Board will review and update Board governance and operating policies.  
*Status: This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going operational duty.*
- The QEC Board will enhance corporate governance through the implementation of Board training activities.  
*Status: A training event for Board members took place in 2016-2017. This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going operational duty.*

- The QEC Finance and Audit Committee will work with the Senior Management to improve accountability and transparency in the Finance, Engineering, Operations, Procurement and Health & Safety Departments.

**Status:** *The Finance and Audit Committee reviews detailed reports from each department on a quarterly basis, and provides advice and direction as appropriate. This priority will no longer be reported on in QEC's corporate plan as it is an on-going operational duty.*
- The QEC Finance and Audit Committee will monitor the progress and implementation of the action plan to address recommendations received from the Office of the Auditor General of Canada.

**Status:** *This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going operational duty.*
- The QEC Human Resources and Policy Committee will work with the Senior Management to continue to promote the full implementation of the Inuit Employment Program and the Inuit Leadership Development Program as the cornerstone of effective hiring and promotion within QEC.

**Status:** *While this priority is ongoing, it will be an area of focus for QEC's Board of Directors in 2017-2018.*
- The QEC Board of Directors will ensure the corporation submits all financial and performance reports to the Legislative Assembly on a timely basis, thereby ensuring transparency and accountability.

**Status:** *While this priority is ongoing, it will be an area of focus for QEC's Board of Directors in 2017-2018.*
- The QEC Board of Directors will undertake a policy review process to ensure the corporate policies recognize QEC's operational requirements and to the fullest extent possible align with the Government of Nunavut's Financial Administration Manual, Human Resources Manual and all other Government of Nunavut policies, as applicable.

**Status:** *This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going operational duty.*
- The QEC Board of Directors will ensure employee overtime is more effectively measured and reflected in the corporate financial statements.

**Status:** *QEC's Senior Management Committee reports and discusses overtime data to the Board of Directors on a quarterly basis. This priority will no longer be reported on in QEC's corporate plan as it is an on-going operational duty.*
- The QEC Board of Directors will examine and implement strategic methods of enhancing and supporting strong leadership practices at all levels of management.

**Status:** *QEC's Board of Directors supported strong leadership practices at all levels of management, including the corporation's new President and Chief Executive Officer. This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going operational duty.*

- The QEC Board of Directors will actively promote the goals of the 2016-2019 Corporate Strategic Plan.

**Status:** QEC's Board of Directors will continue to promote the goals of the corporation's Strategic Plan in 2017-2018 by reviewing the previously tabled document.

*\*The Board of Directors is actively reviewing their corporate priorities from 2017 to 2020. A list of updated priorities will be included in the spring 2018 Corporate Plan.*

## 5.2 Administration

Administrative services include two main areas: the Office of the President and CEO, and Corporate Affairs. Working closely together, the Board of Directors, Senior Management, and the Office of the President and CEO provides overall leadership and management of the corporation while ensuring ongoing implementation and integration of government priorities into corporate operations. Corporate Affairs is responsible for the administration and evaluation of corporate policy, strategic planning, policy and legislative development, communications, risk management, and providing support to other departments of the corporation.

### Priorities (2016-2017)

- Review the application of Enterprise Risk Management processes for utilization across the entire functional organization.

**Status:** The review of the Enterprise Risk Management (ERM) process was completed and ERM is currently on hold.

- Continue the critical review and updating of corporate policies.

**Status:** This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going operational duty.

- Complete an independent review of the KPI/Balanced Scorecard performance measures to ensure the system is meeting corporate needs

**Status:** KPI's are currently being collected and reported on interdepartmentally. A review of the KPI collection process will be completed in the 2018-2019 year.

- Develop a Communication Strategy.

**Status:** A Communications Strategy was developed in early 2016.

- Develop an Independent Power Producers (IPP) Policy.

**Status:** This policy was not developed by March 31, 2017, and requires further review. The priority will be deferred until 2017-2018.

- Develop a media campaign to promote energy conservation.

**Status:** QEC partnered with the GN's Climate Change Secretariat and Nunavut Housing Corporation to develop a territorial Energy Awareness Campaign in 2017.

- Develop QEC branding.

**Status:** Project was not completed by March 31, 2017, and will be deferred to 2017-2018.

### **Priorities (2017-2018)**

- Define transparency guidelines and share with other departments to improve the dissemination of information both internally and externally.
- Improve the development process of the Corporate Plan.
- Communicate the results of the Corporate Plan.
- Develop education programs for the public and students on energy conservation.
- Develop QEC branding

### **Priorities (2018-2019)**

- Review new Cabinet mandate for alignment with QEC priorities.
- Review and analyze QEC Act to identify potential revisions.
- Review of Key Performance Indicator collection and analyzation process.

### **Priorities (2019-2020)**

- Continue efforts to better communicate with stakeholders through a review of the existing communication tools that are being utilized.
- Review strategic planning process with senior management.

### **Priorities (2020-2021)**

- Complete an external quality assurance review of the Internal Audit function, as required by the Institute of Internal Auditors Standards.
- Review the communications strategy and revise based on current corporate environment.
- Review the application of Enterprise Risk Management as applied to the corporation.
- Review and analyze the effects of conservation efforts.

## **5.3 Engineering**

The Engineering Department's primary function is to provide engineering design and technical support services for the corporation. It also develops and maintains various corporate engineering standards and is the primary vehicle for developing and implementing the capital plan. Engineering supports and partners with the Operations Department in ensuring that corporate business goals are consistently achieved at the lowest cost to ratepayers, while achieving the highest possible standards in accordance with common utility practices.

### **Priorities (2016-2017)**

- In collaboration with Health, Safety, and Environment, continue to remove the single-walled underground piping that ties into QEC's fuel system. Rankin Inlet and Whale Cove are targeted for fuel pipe remediation.

**Status:** Fuel pipe remediation projects for Rankin Inlet, Whale Cove, Arviat, and Resolute Bay are completed.

- Continue power plant replacement program. Complete and tender final phase (mechanical/electrical/commissioning) for Taloyoak and Qikiqtarjuaq power plants by late 2015.  
**Status:** New power plants in Taloyoak and Qikiqtarjuaq were completed and commissioned.
- Undertake SCADA design and implementation in the Qikiqtaaluk Region. It is anticipated that work associated with the implementation of a SCADA system within the Kivalliq and the Baffin Regions will be completed in 2016.  
**Status:** Phase One of SCADA design work was completed by March 2017 with implementation in Iqaluit, Qikiqtarjuaq and the Kitikmeot region. QEC will monitor and evaluate the progress of Phase One of the SCADA system in 2017-2018. The results will steer the development of a plan to implement the next phases of the project.
- Further discussion/analysis is necessary concerning the Cambridge Bay Power Plant. A Conditional Assessment Report was completed in 2014 which outlines options for plant expansion and for the construction of a new power plant. The plant capacity must be increased to meet the needs of the CHARS facility.  
**Status:** The capacity of the Cambridge Bay power plant was increased to accommodate the electricity needs of the new CHARS facility. A new 1.1 MW modular unit was installed and commissioned.
- Conduct a system/plant condition assessment for the Gjoa Haven power plant.  
**Status:** QEC will be replacing a generator set engine and installing a modular unit at the Gjoa Haven power plant, therefore a power plant conditional assessment is not required. Both projects are expected to be completed in 2017-2018.
- Complete the distribution upgrade in 2015 and tender the power plant design for Grise Fiord.  
**Status:** The distribution upgrade project was completed in the fall of 2016. An RFP for the power plant construction was issued in November 2016.
- Implementation of distribution system for Repulse Bay (Naujaat), Whale Cove, Grise Fiord, Taloyoak, Qikiqtarjuaq, Resolute Bay. Commencement of design, procurement will take place for Coral Harbour, Cambridge Bay, and Igloolik.  
**Status:** Distribution system upgrades for Naujaat, Whale Cove, Grise Fiord, Taloyoak, Qikiqtarjuaq and Sanikiluaq were completed by March 31, 2017. Delivery of materials for Resolute Bay were delayed due to sealift and this portion of the project will be deferred until 2017-2018. Design and procurement for distribution upgrades in Cambridge Bay has begun, however, upgrades in Coral Harbour and Igloolik will be deferred to 2017-2018.
- Supply, installation, commissioning of an emergency generator in Clyde River.  
**Status:** An emergency generator for Clyde River was procured and is available on site. Work is expected to be completed by the end of 2017.



- Continue the gen-set replacement program with implementation within Sanikiluaq, Clyde River and Kimmirut. Commence gen-set replacement designs for Cambridge Bay, Gjoa Haven, and Hall Beach.

**Status:** *Generator set replacement projects in Sanikiluaq and Clyde River are completed. A generator set replacement in Kimmirut was not completed by March 31, 2017, and is deferred to 2017-2018. It is anticipated that generator set replacements for Cambridge Bay will be completed by fall 2017, and Gjoa Haven and Hall Beach by 2018.*
- The Energy Management Group (EMG) within the engineering department will explore opportunities for energy savings and alternative/renewable energy for the Arctic Environment within Nunavut.

**Status:** *This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going process.*
- The EMG will coordinate with different federal agencies for implementing demonstrative projects.

**Status:** *This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going process.*
- A demonstration project will be conducted that will include solar panel installation with integration into the Iqaluit electrical grid.

**Status:** *A demonstration project to integrate a solar panel installation into the Iqaluit electrical grid was completed in the fall of 2016.*
- The EMG will be upgrading the existing District Heating System (DHS) in Iqaluit. This will include; software, hardware control logics and programming.

**Status:** *An upgrade to the DHS in Iqaluit was completed.*
- Implement and conduct project post mortems on 100% of Engineering's capital projects.

**Status:** *Project post mortems were not conducted methodically on all capital projects. Implementation will continue into 2017-2018.*
- Procurement of the Emergency Unit for Naujaat.

**Status:** *The procurement of an emergency unit for the Naujaat power plant was completed.*
- Develop an Independent Power Producer (IPP) policy and submit for Board approval.

**Status:** *The development of an Independent Power Producer (IPP) policy was not completed and will be differed until 2018-2019.*
- Conduct system/plant condition assessments to support the 40 year capital plan.

**Status:** *Power plant condition assessments were not completed by March 31. Condition assessments will be completed in 2017-2018.*
- Continue the development of a draft 10 Year QEC Capital Planning document.

**Status:** *A 10 year Capital Plan document was drafted. This priority item is complete.*

- Investigate energy conservation projects to be implemented by QEC.  
*Status: This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going process.*

#### **Priorities (2017-2018)**

- Conduct system and power plant condition assessments to determine replacement priority.
- Complete distribution system upgrades for Resolute Bay.
- Continue gen-set replacement program implementation in Kimmirut, Baker Lake, Arviat, Gjoa Haven, Hall Beach, Cambridge Bay and Naujaat.
- Complete installation of modular unit at Gjoa Haven power plant.
- Complete Major Project Permit (MPP) applications for new power plant in Kugluktuk and Arctic Bay based on priorities defined by conditional assessment.
- Implement Net Metering Program if approved by Minister responsible for QEC.
- Expand LED street lighting installation projects in communities of Iqaluit, Cambridge Bay, Rankin Inlet and Kugluktuk.
- Monitor and evaluate performance of capital projects management to support capital plan.
- Reconnect and update Pangnirtung's district heating control system.
- Commence design and procurement process for distribution upgrades in Coral Harbour and Igloolik.
- Install emergency generator in Clyde River.
- Monitor and evaluate progress of the SCADA system installed in Phase One to support the development of a plan for the next phases.
- Research funding opportunities to support financing of the SCADA project.
- Develop an Independent Power Producer (IPP) policy and program.
- Implement and conduct project post mortems on capital projects.

#### **Priorities (2018-2019)**

- Investigate the viability of a district heating system in Baker Lake.
- Monitor and evaluate Net Metering Program to identify areas of improvement and develop an action plan to address issues.
- Implementation of design and tender process for district heating system projects in select communities.
- Revamp the organizational structure of the Engineering Department to ensure efficient operation for the delivery of capital projects.
- Conduct system and power plant condition assessments to determine replacement priority.

#### **Priorities (2019-2020)**

- Refresh project management training for the Engineering department.
- Investigate the implementation of DHS for other potential power plants and communities.

- Implementation of Independent Power Producer Program if approved by Minister responsible for QEC.

## 5.4 Operations

The Operations Department is tasked with the mandate of generating and distributing safe, reliable and efficient energy in all Nunavut communities. Each community has its own generating power plant staffed by employees who live in the community. Local employees are supported by electrical, mechanical and line trades people based in the regional centers of Cambridge Bay, Iqaluit and Rankin Inlet.

Operations supports and partners with Engineering to ensure that corporate business goals are consistently achieved at the lowest cost while achieving the highest possible standards.

### Priorities (2016-2017)

- Collaborate with Engineering to continue power plant replacement program.  
*Status: This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going operational duty.*
- Collaborate with Engineering, Information Technology, Finance and the federal government to investigate additional Smart Metering projects.  
*Status: Two Smart Metering projects were submitted to QEC's Capital Planning Committee and were approved for the corporation's 10 year plan provided funding can be secured. The Engineering department is the lead on this priority and it will no longer be reported on under Finance's section.*
- Plant specific live line lockout reviews at all plants.  
*Status: Reviews were completed at 19 sites with the remaining six to be completed in 2017-2018.*
- Correct deficiencies to SCADA system phase 1.  
*Status: Deficiencies to SCADA System Phase 1 were corrected by March 31, 2017.*
- Plant Operator training in the new Qikiqtarjuaq plant  
*Status: Plant Operator training was delayed awaiting necessary manuals. Manuals are expected to be completed in August 2017 and training will commence in September 2017.*
- Plant Operator training in the new Taloyoak plant.  
*Status: Plant Operator training was delayed awaiting necessary manuals. Manuals are expected to be completed in August 2017 and training will commence in September 2017.*
- Clean and inspect vertical bulk fuel tank in Pangnirtung and Rankin Inlet.  
*Status: Vertical bulk fuel tanks were cleaned and inspected by March 31, 2017.*
- Annual tradesman training.  
*Status: This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going operational duty.*

- Annual crane inspection at all plants.  
*Status: This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going operational duty.*
- Annual fire alarm inspection in all required buildings.  
*Status: This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going operational duty.*
- Annual boom truck inspection.  
*Status: This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going operational duty.*
- Switch gear breaker maintenance.  
*Status: This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going operational duty.*
- Feeder riser maintenance in Kitikmeot and Kivalliq regions.  
*Status: Power plant system maintenance was completed for all three regions. This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going operational duty.*
- Implement the use of the Computerized Maintenance Management System (CMMS)  
*Status: The CMMS was implemented by March 31, 2017.*

#### **Priorities (2017-2018)**

- Clean and inspect bulk fuel tanks in Clyde River.
- Continue development and improvement of Distribution Standards through the work of the Distributions Standards Committee.
- Install LED streetlights in Cambridge Bay, Rankin Inlet, Iqaluit and Kugluktuk.
- Deliver Plant Operator/Assistant Operator training in collaboration with Human Resources and Health Safety & Environment.
- Collaborate with Finance to improve inventory controls.
- Collaborate with Engineering on new power plant builds in Grise Fiord and Cape Dorset.
- Optimize Computer Maintenance Management System and Supervisory Control and Data Acquisition in collaboration with IT.

#### **Priorities (2018-2019)**

- Clean and inspect bulk fuel tanks in Arviat.
- Collaborate with Engineering on new power plant builds in Grise Fiord and Cape Dorset.
- Improve inventory controls in collaboration with Finance.
- Deliver Plant Operator/Assistant Operator training in collaboration with Human Resources and Health Safety & Environment.
- Focus on improving software applications with support of IT department.

### Priorities (2019-2020)

- Clean and inspect vertical bulk fuel tank in Iqaluit.
- Collaborate with Engineering on capital projects and new power plant builds in Grise Fiord and Cape Dorset.
- Streamline reporting methods and remove inefficiencies with the department's processes in collaboration with the Finance department.
- Deliver Plant Operator/Assistant Operator training in collaboration with Human Resources and Health Safety & Environment.
- Focus on improving software applications with support of IT department.

### Priorities (2020-2021)

- Improve inventory controls in collaboration with Finance.
- Collaborate with Engineering on Capital Projects.
- Deliver Plant Operator/Assistant Operator training in collaboration with Human Resources and Health Safety & Environment.
- Focus on improving software applications with support of IT department.

## 5.5 Finance

The Finance department is located in Baker Lake, with regional offices in Cambridge Bay, Iqaluit and Rankin Inlet. Key functions of finance are: Finance (Financial Accounting and Reporting, Budgeting, Planning and Analysis, Regulatory Affairs); Supply Chain Management (Logistics, Procurement, Inventory Control, Warehousing); Customer Care (Billing, Collections, Customer Service); and Payroll, Benefits and Pensions. Finance is viewed by the corporation as a critical department requiring significant effort and resources to meet its corporate service requirements. Its priorities focus on making the Finance department more efficient and effective as it strives to improve functional and governance requirements and services.

### Priorities (2016-2017)

- In collaboration with the Information Technology Department, review the current enterprise reporting system (ERP) to meet present and future needs of the Finance department.  
*Status: Due to limited staffing resources from both the IT and Finance department, this priority was not completed. It is deferred until 2017-2018.*
- Continue with the Customer Care plan to improve customer service.  
*Status: Human Resources and Organizational Development department and Customer Care division are working together to develop a plan to improve QEC's customer service practices. Finalization and implementation of the plan is expected to be completed in 2017-2018.*
- In collaboration with the Engineering Department, conduct a territory wide audit of commercial meters to ensure correct billings.  
*Status: Due to competing priorities, this item has been deferred to 2018-2019.*

- In collaboration with the Engineering and Operations Departments, develop a feasible system for inventory control, procurement and sealift processes.  
*Status: A plan has been developed to implement a feasible inventory control, procurement and sealift process system. Implementation of the plan has begun and is projected to be completed in 2018-2019.*
- Anticipate and optimize financing options to support QEC's Capital infrastructure and bulk fuel purchases within the corporation's borrowing limit.  
*Status: This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going operational duty.*
- In collaboration with HR and Organizational Development Department, formulate a succession plan for Board's approval with the objective to place Inuit employees in supervisory and management positions.  
*Status: This priority falls under QEC's Human Resources and Organizational Development department and will no longer be report on under Finance.*
- Conduct a depreciation study to examine the appropriateness of asset depreciation rates.  
*Status: A depreciation study was conducted and completed by March 31, 2017.*
- Procedures on contracting, purchasing and leasing will be analyzed and completed with the mapping of the improved procedures.  
*Status: This priority was completed as of March 31, 2017.*
- Prepare a General Rate Application to request new rate to match QEC's revenue requirements and provides several Cost of Service study options. (see section 2.3 – Rate Regulation Activity)  
*Status: The General Rate Application request will be completed in 2017-2018.*
- Focus on the collection of Accounts Receivables to help manage QEC's cash flow.  
*Status: This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going operational duty.*
- Provide financial training for all managers and supervisors to assist with the development of better budgets and cost control.  
*Status: Financial training was not completed due to lack of resources. It will be deferred to 2017-2018.*
- Review the sealift, inventory control, purchasing and contracting processes to ensure current processes are effective, efficient and follow best practices.  
*Status: This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going operational duty.*

### **Priorities (2017-2018)**

- In collaboration with the Capital Planning Committee, review the process of improving the capital planning, tracking and reporting program.
- Prepare and file a General Rate Application (GRA) requesting adjustments to the current electricity rates to match QEC's revenue requirements.
- Continue with the implementation of the Customer Care plan to improve QEC's customer service practices with a focus on internal training for frontline staff. This priority will be supported by Human Resources and Organizational Development.
- Complete the review and assessment of the current Enterprise Resource Planning (ERP) system and its capability relative to present and future needs of all departments.
- Develop processes to provide accurate billing and recording for any new net metering installations.
- Develop a plan to manage QEC's total debt for the next five years.
- Utilize the results of the customer survey to set benchmarks and targets for improvement in the processes of Customer Care, with involvement of other departments, as needed.
- Work with other departments to enhance asset management with a focus on tracking, identification and disposal.
- Deliver procedures and training on Nunavummi Nangminiaqtunik Ikajuuti (NNI Policy) to QEC employees with emphasis on regulatory compliance.
- Provide financial training for all managers and supervisors to assist with the development of better budgets and cost control.

### **Priorities (2018-2019)**

- Develop simplified wording for financial process instructions and reporting.
- Upon completion of the review of corporate requirements for an ERP, commence modifications of existing systems, training and/or search for alternative systems depending on the results.
- Develop a more rigorous budget and planning process to provide better controls, reporting and understanding of impact of cost driven decisions.
- Work with IT department to assess feasibility of digitizing all finance documents to reduce paper handling and filing, and improve transfers of information between departments.
- In collaboration with the Operations Department, conduct a territory wide audit of commercial meters to ensure correct billings.
- Complete implementation of a feasible system for inventory control, procurement and sealift processes, with support from the IT department.

### **Priorities (2019-2020)**

- Subject to results of the assessment in 2018-2019, develop a plan to work with the IT department to digitalize all finance documents.

- Subject to the results of the review, work with IT and other departments to implement a new ERP system.

#### **Priorities (2020-2021)**

- Begin preparations for the next General Rate Application.

### **5.6 Health, Safety, and Environment**

The Health, Safety, and Environment department is responsible for the overall administration of the corporation's environment and safety management practices. This includes ensuring the utility operates in an environmentally conscious and responsible manner; responding to and coordinating the clean-up of any environmental incidents; ensuring all employees understand their rights and responsibilities on issues that have an impact on their occupational health and safety; establishing a functioning safety program; providing occupational health and safety training to all employees; and reviewing all applicable federal and territorial acts and regulations and ensuring the corporation is in compliance.

#### **Priorities (2016-2017)**

- In collaboration with Engineering, remove all single-walled underground piping that ties into QEC's fuel system in Rankin Inlet and Whale Cove and replace with either double-walled underground piping or aboveground piping.  
*Status: The work has been completed for both sites. QEC received confirmation from Environment and Climate Change Canada (ECCC) that the corporation is now in compliance with the Storage Tank Regulations in both Rankin Inlet and Whale Cove as of September 2016.*
- Successfully complete the External Audit of the Certificate of Recognition (COR) to maintain QEC's accreditation from the Northern Safety Association (NSA). An external audit must be conducted every three years by an independent NSA registered auditor.  
*Status: The audit began in February 2016 and took much longer to complete than expected. The external audit was finalized in October 2016 and QEC maintained a COR accreditation.*
- Develop an interactive online employee orientation program for new employees.  
*Status: The custom e-learning health and safety orientation program is now on-line and was rolled out to QEC employees in February 2017.*
- Complete Safety and Environmental inspections at all QEC power plants and identify items that require corrective action.  
*Status: This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going operational duty.*
- Complete a soil sampling program at all QEC power plant facilities.  
*Status: A soil sampling program is in place at all QEC power plant facilities. This priority will no longer be reported on in QEC's corporate plan as soil sampling is an annual on-going operational duty.*



- Continue to develop a waste oil reduction/recycling plan.  
*Status: A waste oil reduction and recycling plan was developed and the priority was completed by March 31, 2017.*
- Develop decommissioning plans for on-site infrastructure such as power plants, pipelines, fuel tanks, etc.  
*Status: The development of the decommissioning plans for the old power plants in Taloyoak and Qikiqtarjuaq are complete. The plans were built with common parts that are relevant for all QEC power plants with site specific information to be gathered prior to the decommissioning of the power plants. The corporation focused on these communities as they both have old power plants that will require decommissioning in the near future.*
- Continue to develop safe work practices and standard operating procedures for QEC employees and contractures.  
*Status: This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going operational duty.*
- Complete three Environment Delineation Studies (Phase I, II & III) at QEC power plant properties throughout Nunavut. Communities are determined according to the assessment priority list.  
*Status: Four ESA's were completed in the communities of Kimmirut, Clyde River and two in Pond Inlet (one at the current power plant site and another at an old plant site in the community). This priority was completed.*
- Successfully complete the Internal Audit of the Certificate of Recognition (COR) to maintain QEC's accreditation from the Northern Safety Association (NSA). An internal audit must be conducted annually by a QEC employee who holds an NSA Registered Auditor Certificate.  
*Status: The internal audit was not completed and will be deferred to 2017-2018.*

#### **Priorities (2017-2018)**

- In collaboration with Engineering, remove single-walled underground piping that ties into QEC's fuel system in the communities of Coral Harbour and Kimmirut and replace with either double-walled underground piping or aboveground piping.
- Take out of service and remove old fuel systems from the communities of Taloyoak, Qikiqtarjuaq, Resolute Bay and Grise Fiord.
- Decommission the old power plants in the communities of Taloyoak and Qikiqtarjuaq.
- Complete three Environment Delineation Studies (Phase I, II & III) at QEC power plant properties in the communities of Coral Harbour, Baker Lake and Sanikiluaq.
- Develop a new Contractor Safety Management Program.

### **Priorities (2018-2019)**

- In collaboration with Engineering, remove single-walled underground piping that ties into QEC's fuel system in Pond Inlet and replace with either double-walled underground piping or aboveground piping.
- Take out of service and remove old fuel systems from the community of Arviat.

### **Priorities (2019-2020)**

- In collaboration with Engineering, remove single-walled underground piping that ties into QEC's fuel system in Cambridge Bay and replace with either double-walled underground piping or aboveground piping.

### **Priorities (2020-2021)**

- In collaboration with Engineering, remove single-walled underground piping that ties into QEC's fuel system in Kugluktuk and replace with either double-walled underground piping or aboveground piping.

## **5.7 Human Resources and Organizational Development**

The Human Resources and Organizational Development Department provides expertise and support to all QEC departments. This includes designing and implementing progressive human resources and organizational development plans that will enhance overall corporate capacity, compliance with Article 23 of the *Nunavut Land Claims Agreement*, and positioning the corporation to successfully meet the changing demands of its business. Human Resources and Organizational Development also plays a leadership role in ensuring that all of the Corporation's human resources and organization development plans are carried out in accordance with applicable legislation, QEC policies, and applicable collective agreements.

### **Priorities (2016-2017)**

- Work towards 61% Inuit employment.  
*Status: As of March 31, 2017, the percentage of Inuit employment was 50%. QEC has been utilizing the priority hiring policy and staffing positions by using restricted competitions to hire Inuit throughout Nunavut. In 2016-2017, QEC continually supported Inuit Leadership Development Program (ILDLP) students and Inuit apprentices. By March 31, 2017, one apprentice was hired and two apprentices received their certifications. Two ILDP students are expected to graduate in 2017-2018.*
- Development and review of QEC's Departmental Succession Plans for all departments.  
*Status: The Manager of Organizational Development started the process in November 2015 and upon hiring of Organizational Development (OD) Administrator, formerly Inuit Employment Plan Administrator, will proceed department by department. This initiative will be deferred to 2018-2019.*

- Rebuild the Human Resources and Organizational Development team and its capacity.  
**Status:** *As of March 31, 2017, QEC filled the position of Staffing and Recruitment Officer. Inuit Employment Plan Administrator and Human Resources Generalist positions were vacant. Appointment of a Human Resources Generalist is expected to be filled upon completion of the Inuit Leadership Development Program 2017-2018.*
- Provide excellence in customer service and support in the areas of Employee and Labour Relations.  
**Status:** *This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going operational duty.*
- Build partnerships with the GN in an effort to better align QEC with GN Human Resources practices.  
**Status:** *This priority will no longer be reported on in QEC's corporate plan as it is an annual on-going operational duty.*
- Review exit interview process and establish template for both excluded and unionized employees.  
**Status:** *Exit interview process was reviewed and priority was completed by March 31, 2017.*
- Develop supervising in unionized environment program for managers and supervisors.  
**Status:** *Program was developed by March 31, 2017, and the program will be rolled out in 2017-2018.*

#### **Priorities (2017-2018)**

- Review and revise current onboarding program to incorporate casual staff and enhance the onboarding experience for all new hires.
- Deliver performance management training to all supervisors through the use of QEC's Guide to Performance Management.
- Roll out a training program for supervising in a unionized environment to all QEC managers and supervisors.
- Increase capacity of HROD department by staffing the Human Resources Generalist and Organizational Development Administrator positions.
- Remove artificial barriers and include professional standards in job descriptions and ensure alike positions throughout QEC are standardized.
- Improve existing and generate new internal electronic documentation used for Job Action Requests, hiring, resignation and retirement, and general human resources processes.
- Offer executive coaching to managers and members of the senior management committee.
- Review human resources policies to assess and revise to ensure alignment with GN.

#### **Priorities (2018-2019)**

- Create career development plans for all Inuit employees.
- Complete a full review of QEC's current job evaluation process and administration.

- Assess performance review process to ensure continued alignment to operational goals and best practices.
- Evaluate and revise the Summer Student Employment Program.
- Develop promotion and recruitment strategy for high schools, post-secondary schools and Nunavut organizations.
- Review of succession planning for all departments.

#### **Priorities (2019-2020)**

- Review mentorship program for its effectiveness and functionality.
- Examine exit interview process and analyze feedback for further action.
- Use assessment of performance review process to guide a plan to better align employee performance objectives with QEC's operational goals.

#### **Priorities (2020-2021)**

- Continue to work toward growing Inuit employment and evaluate the Inuit Employment Plan as necessary.
- Monitor and evaluate succession planning goals and objectives.
- Review recruitment and staffing processes and administration to ensure compliance and the use of best practices.

### **5.8 Information Technology**

The Information Technology Department provides support to other corporate departments through a series of services that include data communications, enterprise applications, application development, integrated computer systems and technology assistance and support. The goal of the department is to enable QEC to achieve its business objectives through the use of Information Technology.

#### **Priorities (2016-2017)**

- Continue Document/Records management implementation.  
*Status: The document and records management implementation has been cancelled.*
- Investigate Enterprise Resource Planning (ERP) options.  
*Status: Project delayed due to resource constraints and will be completed in 2017-2018. This priority falls under QEC's Finance department and will no longer be report on under IT.*
- Re-evaluate core financial software system.  
*Status: Project delayed due to resource constraints and will be completed in 2017-2018.*
- Collaborate with Finance on E-billing implementation.  
*Status: Capacity limitations prevent QEC from implementing E-billing at this time. Project will resume once the position of Senior Enterprise Systems Specialist has been filled.*

- Finalize and implement disaster recovery planning and policies.  
*Status: The multi-year project is delayed due to resource constraints and will resume in 2017-2018 with the development of a disaster recovery policy and plans for the four regional offices.*
- Develop self-study employee training resources for all Information Technology systems.  
*Status: General IT systems online training was completed as of March 31, 2017.*
- Continue development of a representative workforce.  
*Status: This priority falls under QEC's Human Resources and Organizational Development department and will no longer be report on under IT.*
- Implement satellite communications optimizations.  
*Status: Satellite communications optimizations are delayed due to system upgrades. This priority is scheduled to be completed in 2018-2019.*
- Upgrade core Information Technology infrastructure.  
*Status: Project was not completed by March 31, 2017, and will be deferred to 2017-2018.*
- Automation of outage information.  
*Status: This priority is on hold due to technical limitations that prevent automated outage information on Facebook.*
- Evaluate bringing new power plants into core satellite network.  
*Status: Evaluation of integrating new power plants in core satellite network was completed as of March 31, 2017.*

#### **Priorities (2017-2018)**

- Re-evaluate core financial software system for improved business alignment.
- Develop and implement disaster recovery policy and plans for the four regional offices.
- Complete evaluation of the automation of outage information.
- Develop self-study employee training resources for ERP.
- Upgrade core Information Technology infrastructure in Baker Lake.
- Implement satellite communications optimizations.
- Internal testing of E-billing with support from Finance before rolling out to general public.
- Review best practices to assist Finance department with the development of a project plan for an Enterprise Resource Planning system.
- Evaluate feasibility of video conferencing system at QEC's head office and corporate office.

#### **Priorities (2018-2019)**

- Upgrade satellite communications infrastructure.
- Implementation of project plan from Enterprise Resource Planning (ERP) Review.
- Upgrade core Information Technology infrastructure in Iqaluit.
- Review Microsoft Exchange infrastructure design for better stability and disaster recovery.

- Implement E-billing to general public based on the results of internal testing.

#### **Priorities (2019-2020)**

- Review of Information Technology policies and procedures.
- Review of implemented software and technologies to ensure proper business relevance.

#### **Priorities (2020-2021)**

- Review all Information Technology policies and procedures.
- Review structure of the Information Technology department.

## **6.0 Conclusion**

QEC is committed to ensuring there is a safe, reliable, sustainable and economic energy supply in Nunavut. We recognize the need to reduce our dependence on fossil fuel and are actively seeking ways to enhance our operation practices. We continue to expand and enhance the ways in which we communicate with our communities and examine methods to improve the interaction with our customers.

We look forward to strengthening our workforce through training and development of local representatives. Ensuring that Inuit Qaujimagatuqangit approaches are incorporated into day-to-day operations is key to having a positive and representative workforce. It is through strong leadership, transparency, and diligent oversight that we will ensure our goals and priorities are achieved.

Elijah Evaluarjuk

Chairperson, Board of Directors  
Qulliq Energy Corporation

**Appendix A – 2017-18 Capital Budget/Plan**

**2017-18 Capital Budget Listing**

<b>Item #</b>	<b>Plant #</b>	<b>Community</b>	<b>Description</b>	<b>Budget</b>	<b>Comments</b>
1	501	Cambridge Bay	Upgrade U/G Fuel supply Line	61,000	New 2 Year Project
2	501		Vehicle Replacement 4512	56,000	New 1 Year Project
3	502	Gjoa Haven	Engine Replacement G2	864,000	New 2 Year Project
4	504	Kugaaruk	Vehicle Replacement 4513	56,000	New 1 Year Project
5	505	Kugluktuk	Plant Fire Alarm system	100,000	New 1 Year Project
			<b>Subtotal - Kitikmeot Region</b>	<b>1,137,000</b>	
6	601	Rankin Inlet	Vehicle Replacement 4618	56,000	New 1 Year Project
7	601		Vehicle Replacement 4617	56,000	New 1 Year Project
8	602	Baker Lake	Genset Replacement/ Upgrade	1,386,000	Final Year of 2 Year Project
9	602		Fence	372,000	New 1 Year Project
10	603	Arviat	Genset Replacement	1,386,000	Final Year of 2 Year Project
11	604	Coral Harbour	RBD Line Truck	250,000	New 1 Year Project
12	604		Quonset Garage	333,000	New 1 Year Project
13	606	Whale Cove	Fence	314,000	New 1 Year Project
14	606		Plant Fire Alarm system	100,000	New 1 Year Project
15	607	Naujaat	G2 Upgrade	1,666,000	Final Year of 2 Year Project
16	607		Quonset	332,000	New 1 Year Project
17	607		Fence	319,000	New 1 Year Project
			<b>Subtotal - Kivalliq Region</b>	<b>6,570,000</b>	
18	701	Iqaluit	New Bulk Fuel Tank Upgrade	1,768,000	Year 3 of 4 Year Project
19	701		1352B Property Shop	277,000	New 1 Year Project
20	701		DHS - Aquatic Center	817,000	Year 2 of 3 Year Project
21	701		Fuel Supply Line Upgrade	1,979,000	New Project
22	703	Cape Dorset	New Power Plant Design / Build	2,437,000	Year 7 of 9 Year Project
23	705	Pond Inlet	Vehicle Replacement 4754	56,000	New 1 Year Project
24	710	Arctic Bay	RBD Line Truck	270,000	New 1 Year Project
25	711	Clyde River	Waste Oil Burner for Quonset	38,000	New 1 Year Project

26	712	Grise Fiord	New Power Plant - design and build	5,808,000	Year 4 of a 6 Year Project
			<b>Subtotal - Qikiqtaaluk Region</b>	<b>13,450,000</b>	
27	400	Nunavut	Fluid Modeling Software	11,000	New 1 Year Project
28	400		ETAP Software Upgrade	68,000	New 1 Year Project
29	400		Enterprise System Review	278,000	New 1 Year Project
30	400		Unidentified Capital Projects	1,000,000	Annual Allocation
			<b>Subtotal - Nunavut</b>	<b>1,357,000</b>	
<b>Total</b>					
				<b>22,514,000</b>	

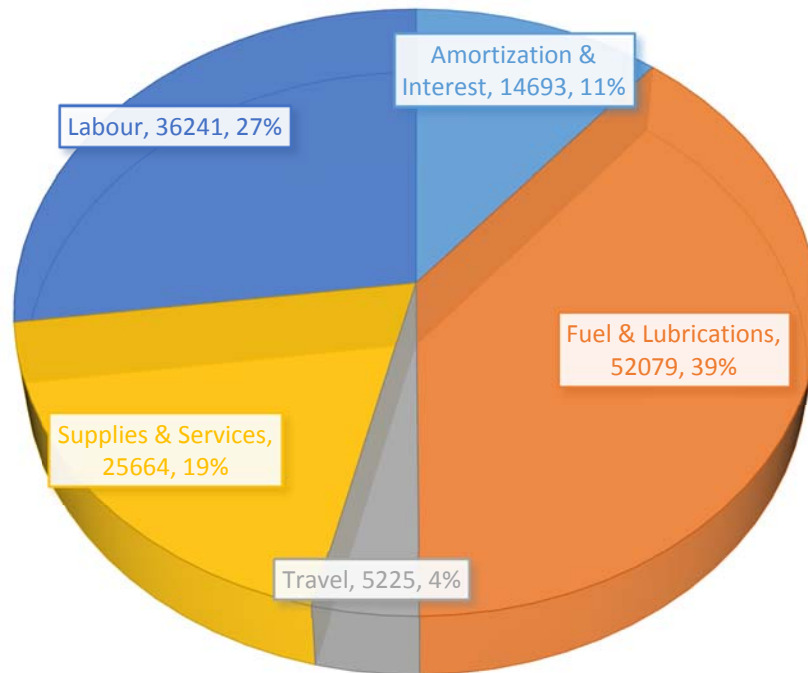


## Appendix B - 2017-2018 Operations & Maintenance Budget

### 2017-2018 Operations and Maintenance Budget

	Territorial (000)	Oikiqtaaluk (000)	Kivalliq (000)	Kitikmeot (000)	Total (000)
<b>Revenue</b>					
Sales of Power	0	67,222	32,831	24,408	\$124,461
Sales of Residual Heat	1800	0	0	0	\$1,800
Other Revenue	9,975	0	0	0	\$9,975
<b>Total Revenue</b>	<b>11,775</b>	<b>67,222</b>	<b>32,831</b>	<b>24,408</b>	<b>\$136,236</b>
<b>Expenses</b>					
Fuel & Lubrications	0	31,929	11,813	8,337	\$52,079
Labour	26,985	4,947	2,650	1,839	\$36,421
Supplies & Services	17,118	4,935	2,029	1,582	\$25,664
Travel	5,082	75	29	39	\$5,225
Amortization & Interest	14,693	0	0	0	\$14,693
<b>Total Expenses</b>	<b>63,878</b>	<b>41,886</b>	<b>16,521</b>	<b>11,797</b>	<b>\$134,082</b>

#### DETAILS OF EXPENDITURES (\$000)



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## Qulliq Energy Corporation 2017-2018 Budget Summary Report

<b>TOTAL REVENUE</b>	136,236,000
Fuels and Lubes	52,079,000
<b>Gross Margin</b>	<b>84,157,000</b>

Payroll	36,421,000
Supplies & Services	25,664,000
Travel & Accommodation	5,225,000
<b>TOTAL OPERATING</b>	<b>67,310,000</b>

<b>EBITDA</b>	<b>16,847,000</b>
Amortization & Interest	14,693,000
<b>NET INCOME</b>	<b>2,154,000</b>

## Appendix C – Employment Summary

Quilliq Energy Corporation March 31, 2017

Employment Summary, by Category

### Quilliq Energy Corporation March 31, 2017

Employment Summary, by Category

	Total Positions (FTE)				Nunavut Inuit	
	Total Positions	Vacancies	Filled	% Capacity	Hired	% IEP
Executive	2.00	-	2.00	100%	1.00	50%
Senior Management	7.00	-	7.00	100%	-	0%
Middle Management	22.00	4.00	18.00	82%	1.00	6%
Professional	15.00	1.00	14.00	93%	-	0%
Paraprofessional	97.00	7.00	90.00	93%	40.00	44%
Administrative Support	63.80	8.60	55.20	87%	51.20	93%
<b>Total Employment Categories</b>	<b>206.80</b>	<b>20.60</b>	<b>186.20</b>	<b>90%</b>	<b>93.20</b>	<b>50%</b>

### Employment Summary, by Community

Arctic Bay	1.60	-	1.60	100%	1.60	100%
Cape Dorset	2.00	-	2.00	100%	2.00	100%
Clyde River	1.60	-	1.60	100%	1.60	100%
Grise Fiord	1.60	-	1.60	100%	1.60	100%
Hall Beach	1.60	-	1.60	100%	1.60	100%
Igloolik	2.00	-	2.00	100%	2.00	100%
Iqaluit	91.00	9.00	82.00	90%	21.00	26%
Kimmirut	1.60	-	1.60	100%	0.60	38%
Pangnirtung	2.00	-	2.00	100%	2.00	100%
Pond Inlet	2.00	-	2.00	100%	2.00	100%
Qikiqtarjuaq	1.60	-	1.60	100%	1.60	100%
Resolute Bay	1.60	0.60	1.00	63%	1.00	100%
Sanikiluaq	1.60	-	1.60	100%	1.60	100%
Arviat	2.00	-	2.00	100%	2.00	100%
Baker Lake	46.00	7.00	39.00	85%	22.00	56%
Chesterfield Inlet	1.60	-	1.60	100%	1.60	100%
Coral Harbour	2.00	-	2.00	100%	2.00	100%
Nauyasat	1.60	-	1.60	100%	1.60	100%
Rankin Inlet	20.00	3.00	17.00	85%	10.00	59%
Whale Cove	1.60	-	1.60	100%	1.60	100%
Cambridge Bay	13.00	1.00	12.00	92%	5.00	42%
Gjoa Haven	2.00	-	2.00	100%	2.00	100%
Kugaaruk	1.60	-	1.60	100%	1.60	100%
Kugluktuk	2.00	-	2.00	100%	2.00	100%
Taloyoak	1.60	-	1.60	100%	1.60	100%
<b>Total Community</b>	<b>206.80</b>	<b>20.60</b>	<b>186.20</b>	<b>90%</b>	<b>93.20</b>	<b>50%</b>

### Employment Summary, by Iqaluit and Other Communities

Iqaluit	91.00	9.00	82.00	90%	21.00	26%
Other communities	115.80	11.60	104.20	90%	72.20	69%
<b>TOTAL</b>	<b>206.80</b>	<b>20.60</b>	<b>186.20</b>	<b>90%</b>	<b>93.20</b>	<b>50%</b>