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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

2023  
ANNUAL REPORT  
UTILITY RATES REVIEW COUNCIL  
OF NUNAVUT



# UTILITY RATES REVIEW COUNCIL OF NUNAVUT

## ANNUAL REPORT

For the year ending December 31, 2023

Members of the Legislative Assembly of Nunavut:

I take pleasure in submitting the Annual Report of the Utility Rates Review Council of Nunavut for the year ending December 31, 2023.

***Original Signed By:***

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Hon. PJ Akeeagok, Premier  
Minister responsible for the Utility  
Rates Review Council

December 7, 2023

The Honourable PJ Akeeagok, Premier  
Minister responsible for the  
Utility Rates Review Council  
of Nunavut

Dear Mr. Premier,

I have the honour of presenting the Annual Report of the Utility Rates Review Council of Nunavut for the year ending December 31, 2023.

Respectfully submitted,



Graham Lock  
A/Chair, Utility Rates Review Council  
of Nunavut

# The Utility Rates Review Council of Nunavut

## 1. MANDATE

The *Utility Rates Review Council Act*, created in the spring of 2001, and amended in the summer of 2010, gives the power to the Utility Rates Review Council of Nunavut (URRC) to provide advice to ministers regarding rates and tariffs to be charged by designated utilities and any other matters as requested and directed by the Minister responsible for the URRC (Review Council).

Under the Act, a designated utility is defined as *a utility or a member of a class of utilities designated in the regulations*:

Additionally, a utility is 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).*

The Qulliq Energy Corporation, and, as a consequence Nunavut Power Corporation, as Designated Utilities, are subject to the URRC through the *Utility Rates Review Council Act*.

## 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:*

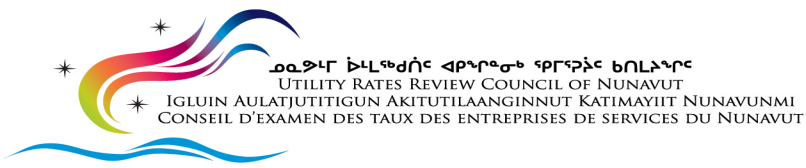
- (a) advise the responsible Minister of a designated utility concerning the imposition of rates and tariffs in accordance with Sections 11 to 18.*
- (b) advise the responsible Minister of a utility other than a designated utility with regard to any questions that the responsible Minister refers to it 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. ORGANISATION

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.

As of December 31, 2023, the following URRC members are:

Vacant	Chair
Graham Lock	Vice-Chair
Robbin Sinclair	Member
Nadia Ciccone	Member
Bill Williams	Member



The appointment of Nadia Ciccone has expired. Robbin Sinclair, and Bill Williams appointments expire in February 2024.

Per section 3 (6) of the URRC Act, members of the Review Council retain their membership until they are re-appointed, or a new member is appointed.

### Recruiting Members in 2023

The Minister responsible for the URRC sent a letter to each MLA and met with them. As a result, the URRC received several resumes, the majority of which were from Inuit if the Nunavut Agreement. In 2024, the Council will see two new members appointed to replace the expired terms and vacancies.

### 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 the Review Council's records and documents; and (b) perform any other duties that may be assigned by the Review Council.

### Consultants

Per Section 8 (1) (b) of the URRC Act, in 2018, the URRC has entered into an agreement with the Alberta Utilities Commission to provide analysis and drafting services for matters

referred to the URRC. The Alberta Utilities Commission has designated Mr. Wade Vienneau to provide support on all applications received.

#### 4. BUDGET

In 2023, the Council's operating and maintenance budget was \$341,000.

STANDARD OBJECT CONTROL OBJECT	2023-2024 Main Estimates
100 Permanent Salaries	218,000
1010 Overtime	
110 Casual Wages	52,000
1110 Overtime	
120 Employee Benefits	
<b>100 Compensation &amp; Benefits</b>	<b>270,000</b>
130 Grants	
160 Grants-in-kind (GIK)	
190 Block Funding (BLF)	
220 One-time Contributions (OTC)	
250 Ongoing Contributions (OGC)	
280 Contributions-in-kind (CIK)	
<b>130 Grants &amp; Contributions</b>	<b>-</b>
310 Travel & Transportation	20,000
320 Materials & Supplies	2,000
330 Purchased Services	5,000
340 Utilities	-
350 Contract Services	30,000
360 Fees & Payments	10,000
370 Other Expenses	
380 Tangible Assets	5,000
390 Computer Hardware & Software	3,000
<b>310 Other Expenses</b>	<b>75,000</b>
<b>TOTAL O &amp; M<sup>D</sup></b>	<b>345,000</b>



## **5. SUMMARY OF 2023 RECOMMENDATIONS:**

The following recommendations were made with respect to rates regarding the following applications:

Under 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.

### **Report 2023-01 Net Metering Program Revision Application.**

- In accordance with the above, the URRC recommends as follows:

#### **Net Metering Program revisions**

- That QEC revise its T&Cs to increase the individual customer renewable generation capacity limit from 10 kW to 15 kW.
- That QEC revise its T&Cs to increase the availability of the NMP from one to two municipal accounts per community.
- That QEC revise its T&Cs to waive/remove the reset date regarding excess electricity generation for the 2022/23 fiscal year only.
- That QEC consider changing the reset date to December/January 31 as suggested by customers.
- That QEC be directed to use a tracking and reporting measure of net revenue loss as a percentage of approved return, rather than approved revenue requirement.

#### **General recommendations**

- That QEC be directed to begin correcting low RCC ratios for fixed charges. In the 2022/23 GRA, the URRC recommended that QEC move at least one third of the way toward full RCC with respect to demand and customer charges. The URRC again recommends that QEC be directed to file an application (GRA Phase 2, rates only) in a timely way to begin making these necessary changes. The URRC considers that the

recommended correction should be relatively easily accomplished as QEC already has the information available in the 2022/23 GRA and in QEC's responses to information requests in that proceeding.

- That QEC be directed to provide more information about a standard level of service related to the connection of NMP projects in its next GRA or NM application.

Report 2023-02 An Application by the Qulliq Energy Corporation for Approval of a Fuel Stabilization Rate From April 1, 2023 to September 30, 2023.

- In accordance with the above, the URRC recommends as follows:
- The URRC recommends that a fuel stabilization rate rider of 7.33 cents per kWh be approved for QEC, for the period April 1, 2023, to September 30, 2023.

**CANADIAN ASSOCIATION OF MEMBERS OF PUBLIC UTILITY TRIBUNAL (CAMPUT) AND EDUCATION**

The Canadian Association of Members of Public Utility Tribunals (CAMPUT) is Canada's Energy and Utility Regulators. It is a self-supporting, non-profit association of Canadian federal, provincial, and territorial regulatory boards and commissions. These boards, councils and commissions are responsible for the regulation of the electric, water, gas, and pipeline utilities across Canada. Some CAMPUT members are also responsible for the regulation of matters such as automobile insurance.

The URRC continued its ongoing association with CAMPUT. 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 its ongoing goal of improving numerous types of regulation in Canada, CAMPUT also admitted several quasi-judicial boards as associate members to CAMPUT.

CAMPUT's regular conferences, annual general meetings (AGM) and training events offer an invaluable opportunity for members of the URRC to remain well informed and up to date on the highly dynamic and demanding field of energy regulation.

URRC members are actively engaged as members of CAMPUT's Education and Regulatory Affairs Committees. As part of the Council's continuing education, the URRC is represented at CAMPUT's annual regulatory key topics held each January, the international conference held in May in a province or territory, as well as the CAMPUT annual general meeting.

CAMPUT meetings bring together the member boards from across Canada to discuss events and issues that affect the regulatory community.

## **6. A LOOK AHEAD AT 2024**

Looking ahead to 2024, the URRC will continue to review and make recommendations respecting applications forthcoming from the Minister Responsible for Qulliq Energy Corporation. The URRC is currently preparing Report 2024-01 Base Rate Fuel Adjustment due January 16, 2024. On December 5, 2023, the URRC received an application from QEC that seeks permission to proceed with Generator (genset) replacements in Kugaaruk, Coral Harbour, Chesterfield Inlet, Whale Cove, and Pond Inlet. The URRC Report will be delivered by the spring of 2024.

**ON BEHALF OF THE UTILITY RATES REVIEW COUNCIL OF NUNAVUT**



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**DATED December 7, 2023**  
**Graham Lock, a/Chair**