



2013
ANNUAL REPORT
UTILITY RATES REVIEW COUNCIL
OF NUNAVUT



UTILITY RATES REVIEW COUNCIL OF NUNAVUT

ANNUAL REPORT

For the year ending March 31, 2013

Members of the Nunavut Legislative Assembly:

I take pleasure in submitting the Annual Report of the Nunavut Utility Rates Review Council for the calendar year ending March 31, 2013.

Original Signed By:

Hon James Arreak
Minister responsible for the Utility
Rates Review Council

May 23, 2013

The Honourable James Arreak
Minister responsible for the
Utility Rates Review Council
Of Nunavut

Dear Minister:

I have the honour presenting the Annual Report of the Utility Rates Review Council of Nunavut for the calendar year ending March 31, 2013.

Respectfully submitted,



Raymond Mercer
Chair, Utility Rates Review Council
Of Nunavut

The Utility Rates Review Council

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 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.

Under the Act, a designated utility is defined as *a utility or a member of 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 organisation 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 part-time 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 a chair and one member as vice-chair.

The Minister responsible for the URRC is responsible for appointing Council members. As of January 2013, the following members are on the URRC:

Raymond Mercer	Chair
Robert Kirk Janes	Member
Graham Lock	Member
Jimmy Akavak	Member
Anthony Rose	Member

Temporary Members

The responsible Minister for the URRC, on the request of the council, may appoint, in addition to the members appointed under Subsection 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 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. Laurie-Anne White continues her duties as executive director.

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 been 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.

4. BUDGET

In 2011-2012 the Review Council operating and maintenance budget was \$587,900. The Review Council remained within its budget for the year.

5. SUMMARY OF 2012-2013 RECOMMENDATION:

The following recommendations were made with respect to rates in regards to the Application for a Fuel Stabilization Rider by letter dated November 16, 2012 by Qulliq Energy Corporation - Report 2013-01:

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 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 16, 2012, QEC applied to the Minister responsible for QEC, requesting approval for a fuel stabilization rider (FSR) of 4.13 cents per kWh, from December 1, 2012 to May 31, 2013. By letter dated November 16, 2012 the Minister requested advice from the URRC with respect to the Application.

In accordance with the above the URRC recommends:

Section 13 (1) of the Act states:

Under section 13.1.

13. (1) 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.

(1.1) Where, in the opinion of the Review Council, the application for the proposed rate or tariff is a minor application, the Review Council shall report to the responsible Minister within 90 days of receiving the responsible Minister's request for advice under subsection 12(2).

In accordance with the above the URRC recommends that a fuel stabilization rider of 4.13 cents per KWh be approved for QEC, for the period December 1, 2012 to May 31, 2013.

Nothing in this Report shall prejudice the URRC in its consideration of any other matters respecting QEC.

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

The URRC continued its ongoing association with CAMPUT in 2012-2013. The membership of CAMPUT is made up of all the Boards and Councils from the ten

provinces and three territories plus the National Energy Board. CAMPUT also admitted a number of quasi-judicial boards as associate members to CAMPUT, as part of their ongoing goal of improving all types of regulation in Canada. A full list of CAMPUT membership can be found at the end of this report.

The Chair and the executive director attended the World Energy Forum which replaced the annual CAMPUT educational conference. This is part of the Council's continuing education. This year the conference was held in Canada (Quebec City) in May 2012. This conference brought together regulators, utilities from Canada, U.S. and Mexico and the world to discuss emerging issues in electricity and gas markets. This is a very informative and well attended conference; most regulators attend, as well as utilities and their staff.

Furthermore, the URRC attended the CAMPUT annual general meeting (AGM) in September 2012. This conference brings together the member boards from across Canada to discuss events and issues that affect the regulatory community. Representatives were present from all boards at the meetings in Saskatoon, Saskatchewan. The URRC was represented by the chair, its two members at the time and the executive director.

The URRC continues to be actively involved in CAMPUT. It has one member on the CAMPUT Education Committee.

Please see *Appendix I* for a list of CAMPUT members and its committee.

7. A LOOK AHEAD AT 2013-2014

By letter dated February 11, 2013, the Minister responsible for QEC requested advice from the URRC with respect to a Joint Use Application. The Report is due on or before May 12, 2013.

URRC members Jimmy Akavak and Anthony Rose will attend the CAMPUT Energy Regulation Course in June/July 2013.

It is expected that an application for a fuel stabilization rider will be submitted in May 2013 and a general rate application is expected to be submitted in 2013/2014.

The CAMPUT annual conference will resume in May of 2013 and will be held in Niagara Falls, Ontario.

In September of 2013, CAMPUT will hold its AGM in St-John's, NFLD. The URRC as a member of CAMPUT is expected to be represented at that AGM.

ON BEHALF OF THE NUNAVUT UTILITY RATES REVIEW COUNCIL



DATED March 31, 2013

Ray Mercer, Chair

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

- Canadian Nuclear Safety Commission (CSNC)
- Energy Resources Conservation Board (ERCB), Alberta
- Bureau d'audiences publiques sur l'environnement (BAPE), Québec
- Canada - Nova Scotia Offshore Petroleum Board (CNSOPB)
- Canada - Newfoundland and Labrador Offshore Petroleum Board (CNLOPB)
- Comisión Reguladora de Energía (CRE), Mexico
- Efficiency NB, New Brunswick

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:

Name	CAMPUT Position	Board	Telephone	E-mail
Raymond Gorman, Q.C.	Chair	New Brunswick Energy and Utilities Board	(506) 658-2504	ray.gorman@nbeub.ca
Ken Quesnelle	Vice-Chair	Ontario Energy Board	(416) 440-7731	ken.quesnelle@ontarioenergyboard.ca
Régis Gosselin	Secretary Treasurer	Manitoba Public Utilities	(204) 945-2460	cregis.gosselin@gov.mb.ca
Murray Doehler	Chair, Regulatory Affairs	Nova Scotia Utility and Review Board	(902) 424-4448	doehleme@gov.ns.ca
Willie Grieve, Q.C.	Chair, Education	Alberta Utilities Commission	(403) 592-4525	Willie.grieve@auc.ab.ca
Lise Duquetter	Past Chair	Régie de l'énergie	(514) 873-2452	lise.duquette@regie-energie.qc.ca

Terry Rochefort	Executive Director	(905) 827-5139	rochefort@camput.org
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