

News Release

Consumer Electricity Bills to Change

Whale Cove and Kimmirut will see significant cost declines

IQALUIT, Nunavut (October 27, 2005) – Electricity consumers in Nunavut should expect several changes to their regular billings in October and November.

"Residential support customers will begin to see the increased subsidy levels approved by the Government of Nunavut for winter consumption," said Energy Minister Ed Picco. "The subsidy level has increased effective October 1." The residential subsidy changed from 700 kilowatt hours (kWh) per month to 1000 kWh per month will continue through the winter months to April 1, 2006.

High world oil prices recently forced an increase in fuel prices across Nunavut and a corresponding increase in the cost of generating electricity using diesel fuel. A proposed 3.98 cent per kWh fuel stabilization rider (FSR) has been instituted on an interim basis for electricity consumed after November 1, 2005. Qulliq Energy Corporation (QEC) is required to track FSR revenues and the resulting price may be adjusted based on a final ruling from the Utility Rates Review Council, anticipated for December 2005.

There is good news for all classes of consumers in Whale Cove and Kimmirut effective November 1, 2005. For many years these communities have paid 25 to 30% more for electricity than the Nunavut average, based on the fact that new plants were built in their communities during the period when rates were governed by the Northwest Territories Public Utility Board community-based rate structure.

The energy minister issued an instruction to Qulliq Energy Corporation to adjust rates downwards by an average of 18.14 cents per kWh in Whale Cove and 16.63 cents per kWh in Kimmirut. These reductions are based on a recommendation recently received from the Utility Rates Review Council.

"This change has a very high impact for Whale Cove and Kimmirut, but will be revenue neutral to QEC and will mean a very small adjustment of 0.39 cents or less per kWh for other electricity consumers," said Picco.

Any final adjustments for this year's fuel stabilization rider will be based on a pending report from the URRC. The minister has also asked the URRC to produce a final report on the Capital Stabilization issue.

Detailed information on these changes is available on the QEC web-site.

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