



October 24, 2025

Hon. John Main
Minister Responsible for the Qulliq Energy Corporation
Legislative Assembly of Nunavut
926 Sivvumugiaq, 2nd Floor
Iqaluit, NU X0A 3H0

Dear Minister Main,

RE: The Standby Service and Rate Application, Utility Rates Review Council of Nunavut's Report 2025-03.

By letter dated July 11, 2025, the Qulliq Energy Corporation (QEC) applied to the Minister Responsible for QEC (the Application) for approval of a new QEC standby service and the associated rate, connection and disconnection fees, and revisions to the QEC terms and conditions of service (T&Cs). The Application outlined:

- The proposed standby rate structure:
 - A monthly demand charge of \$48 per kilowatt applied to the nominated standby load to be charged when the customer is not connected to QEC's grid. When connected to the grid, normal demand charges will apply.
 - Normal energy charges will apply when the customer is connected to QEC's grid.
- Recovery of the cost of making the connection and disconnection to the grid by way of fees using a time and materials invoice (TMI) that is specific to the actual cost for each standby customer.
- Revisions to QEC's T&Cs.
- The rate, use of TMI fees and revised T&Cs will be effective when Ministerial Instruction is issued with respect to the Application.

By letter dated July 23, 2025, the Minister Responsible for QEC requested advice from the Utility Rates Review Council of Nunavut (URRC) with respect to QEC's Application.

In response to the Application and the Minister's request, please find attached the URRC's Report 2025-03, respecting QEC's Standby Service and Rate Application. The URRC recommends approval of the service; however, the URRC recommends a different rate from what QEC has requested, as outlined in the report.

Yours truly,

A handwritten signature in black ink, appearing to read 'Paul Okalik', is written over a light blue horizontal line.

Paul Okalik, Chair
Utility Rates Review Council of Nunavut

CC: Premier P.J. Akeeagok, Minister Responsible for the URRC
Anna Fowler, Deputy Minister, Executive and Intergovernmental Affairs
Ernest Douglas, President and CEO, Qulliq Energy Corporation
Laurie-Anne White, Executive Director, URRC



Report to the Minister Responsible for the Qulliq Energy Corporation on:
Standby Service and Rate Application

Report 2025-03

October 24, 2025

1.0 EXECUTIVE SUMMARY

1. Qulliq Energy Corporation (QEC), as a designated utility, is required pursuant to Section 12 of the *Utilities Rates Review Council Act* (URRC Act), to seek approval from the responsible Minister prior to imposing a rate or tariff.
2. By letter dated July 11, 2025, QEC applied to the Minister Responsible for QEC (the Application) for approval of a new QEC standby service and the associated rate, connection and disconnection fees, and revisions to the QEC terms and conditions of service (T&Cs). The Application outlined:
 - a. A monthly demand charge of \$48 per kilowatt (kW) applied to the nominated standby load to be charged when the standby customer is not connected to QEC's grid and that normal demand and energy charges would be applied when the standby customer is connected to QEC's grid.
 - b. Recovery of the cost of making the connection and disconnection to the grid by way of fees using a time and materials invoice (TMI) that is specific to the actual cost for each standby customer.
 - c. Revisions to QEC's T&Cs.
 - d. The rate, use of TMI fees and revised T&Cs will be effective when the Ministerial Instruction is issued with respect to the Application.
3. By letter dated July 23, 2025, the Minister Responsible for QEC requested advice from the Utility Rates Review Council of Nunavut (URRC) with respect to QEC's Application.
4. The URRC's consideration of these matters and recommendations are set out in the report. In summary, the URRC recommends:
 - a. That the standby service should be approved; however, the URRC recommends that the proposed rate of \$48/kW be increased to more closely reflect the monthly full cost demand charge of \$86.35/kW as per the QEC 2025/26 cost-of-service study (COSS). The URRC considers that a standby rate of \$86.35/kW would provide more protection for other customers and ensure they are not subsidizing the standby customer.

- b. That the use of TMI fees be approved as applied for.
 - c. That the revisions to the T&Cs be approved, subject to minor modifications as outlined in this report.
 - d. That the standby service, rate, revised T&Cs and use of TMI be effective when the Ministerial Instruction is issued with respect to the Application.
5. Further recommendations are included in Section 6.0 at the end of the report. These recommendations primarily relate to matters that should be addressed in the next general rate application (GRA).

UTILITY RATES REVIEW COUNCIL OF NUNAVUT

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Paul Okalik	Chair
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SUPPORT

Laurie-Anne White	Executive Director
Wade Vienneau	Consultant

LIST OF ABBREVIATIONS

CIPP	Commercial and Institutional Power Producer
COS	Cost of Service
COSS	Cost of Service Study
FSR	Fuel Stabilization Rate
GRA	General Rate Application
IPP	Independent Power Producer
IR	Information Request
kW	Kilowatt
NMP	Net Metering Program
NTPC	Northwest Territories Power Corporation
QEC	Qulliq Energy Corporation
QEC Act	<i>Qulliq Energy Corporation Act</i>
RCC	Revenue Cost Coverage
TMI	Time and Materials Invoice
T&Cs	Terms and Conditions of Service
URRC	Utility Rates Review Council of Nunavut
URRC Act	<i>Utility Rates Review Council Act</i>

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2.0 BACKGROUND

6. Qulliq Energy Corporation (QEC), as a designated utility, is required pursuant to Section 12 of the *Utilities Rates Review Council Act* (URRC Act), to seek approval from the responsible Minister prior to imposing a rate or tariff. In this regard, Section 12 of the URRC Act provides for the application for approval of a rate or tariff as follows:

(1) A designated utility that desires to impose a rate or tariff shall make an application in writing to the responsible Minister for approval of the rate or tariff.

Request for advice of Review Council

(2) Within 15 days of receiving an application under subsection (1), the responsible Minister shall request the advice of the Review Council.

Notice to elected officials

(3) The responsible Minister shall give reasonable notice of a request for advice under subsection (2) to mayors and members of the Legislative Assembly who represent a municipality or constituency where the residents, in his or her opinion, are likely to be affected by the rate or tariff.

7. Section 7(a) of the URRC Act states, among others, the purposes of the Utility Rates Review Council of Nunavut (URRC) are to advise the responsible Minister of a designated utility concerning the imposition of rates and tariffs in accordance with sections 11 to 18 (of the URRC Act).
8. Section 13(2) of the URRC Act states, among others, the URRC shall have regard to whether the proposed rate or tariff is fair and reasonable, considering:
- a. The cost of providing the service, including related financing costs.
 - b. Any other factors set out in guidelines issued under Section 6 (of the URRC Act).

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9. By letter dated July 11, 2025, QEC applied to the Minister Responsible for QEC (the Application) for approval of a new QEC standby service and the associated rate, connection and disconnection fees, and revisions to the QEC terms and conditions of service (T&Cs). The Application outlined:
- a. A monthly demand charge of \$48 per kilowatt (kW) applied to the nominated standby load to be charged when the standby customer is not connected to QEC's grid and that normal demand and energy charges would be applied when the standby customer is connected to QEC's grid.
 - b. Recovery of the cost of making the connection and disconnection to the grid by way of fees using a time and materials invoice (TMI) that is specific to the actual cost for each standby customer.
 - c. Revisions to QEC's T&Cs.
 - d. The standby service rate, use of TMI fees and revised T&Cs will be effective when the Ministerial Instruction is issued with respect to the Application.
10. By letter dated July 23, 2025, the Minister Responsible for QEC requested advice from the URRC with respect to QEC's Application.
11. The URRC's consideration of these matters is set out in this report.

3.0 PARTICULARS OF THE APPLICATION

12. QEC applied to the Minister Responsible for QEC for approval of a new QEC standby service and the associated rate, connection and disconnection fees, and revisions to the QEC T&Cs. The Application outlined:
 - a. A monthly demand charge of \$48/kW applied to the nominated standby load to be charged when the standby customer is not connected to QEC's grid and that normal demand and energy charges would be applied when the standby customer is connected to QEC's grid.
 - b. Recovery of the cost of making the connection and disconnection to the grid by way of fees using a TMI that is specific to the actual cost for each standby customer.
 - c. Revisions to QEC's T&Cs.
 - d. The standby service rate, use of TMI fees and revised T&Cs will be effective when the Ministerial Instruction is issued with respect to the Application.
13. QEC submitted that the proposed standby service and rates would be applied to customers who generate their own electricity but rely on the utility grid for backup when self-generation falls short. QEC stated that standby customers were not expected to move off-grid from a utility's distribution system, instead relying on it as a secondary source at times when self-generation is not available due to weather, maintenance, or emergency repairs.
14. QEC clarified in the Application and responses to information requests (IRs) that the standby service is new and differs from the net metering program (NMP), the commercial and institutional power producer (CIPP) program and the independent power producer (IPP) program.
15. QEC submitted that the features of the proposed standby service would result in QEC being required to maintain its generation and distribution system firm capacity at the level needed to meet the system's peak load, including that of standby customers.

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16. QEC submitted that because of ongoing interest from its customers in self-generation with backup supply from QEC it is proposing a standby service and rate with the following objectives: provide customers with a clear understanding of the rate structure applicable to standby service, and avoid rate increases to other customers that could result from potentially under-recovering the full cost to serve standby customers.
 17. QEC submitted its review of existing standby rate practices by major Canadian electric utilities. The review included rate structures, design approaches, and applicability to types of customers.
 18. QEC provided details regarding the standby service available from eight utilities in six different jurisdictions. A comparison of the characteristics of the various utility standby services were summarized in the Application. The summary noted basic monthly charge, demand charge, energy charge and any additional charges in use, as well as the types of customers that were eligible for standby service.
 19. Based on QEC's review, it was noted that all the utilities had a fixed component in the standby rate, and that some had an energy charge. Standby service was not generally available to residential customers and was not available to net metering customers.
 20. QEC stated that based on its review of other jurisdictions and the attributes of the expected standby customers on its system, it considered the following principles concerning standby service rate design: rate design must reflect the full potential load of self-generation customers at the time of QEC's system coincident peak; rate design must target full cost recovery of providing standby service to ensure regular customers are not subsidizing standby customers; standby customers would have a low load factor compared to regular customers.
 21. QEC stated that it proposed to enter into agreements with each standby customer setting out the terms for the supply of standby service and any specific limitations on the service that may be required. QEC noted several conditions: standby service would only be available to commercial customers; the customer must nominate a

standby load to be served (to be verified by QEC); the customer must agree to terms that will include a minimum subscription period of six months, as well as connection and disconnection fees (the customer must pay each time it activates or deactivates the standby service); the customer's system must be designed so that it cannot produce energy simultaneously while connected to QEC's grid; standby rates are subject to future adjustments via the general rate application (GRA) process.

22. Based on its review and the principles above, QEC submitted that it reviewed two rate options. Option 1 was based on the monthly full cost demand charge of \$86.35/kW from the cost-of-service study (COSS) submitted in the 2025/26 GRA. Option 2 was based on a monthly demand charge of \$48/kW (calculated at three times the standard demand charge of \$16/kW, similar to the approach used by Northwest Territories Power Corporation (NTPC)). The demand charges for options 1 and 2 would be applied to the nominated standby load when the customer is not connected to the QEC grid. The energy and demand charges when connected to the grid would be the normal rates for commercial customers. The connection and disconnection fees would also be the same under both options.
23. QEC concluded that it favoured Option 2. QEC submitted that Option 2 provide more certainty to self-generation customers due to potential fluctuations in QEC's cost structure and billing determinants. QEC noted that a substantial portion of the bills for standby service would be fixed charges.
24. QEC did not provide a comparison of the revenue cost coverage (RCC) associated with the two options. The URRC explored this matter via IRs and will provide its recommendations in its examination of the Application.
25. QEC provided additional narrative and analysis in support of the service, rate, revisions to the T&Cs, and use of TMI in the Application. The URRC has not repeated all of that material in this report. The details are examined later in this report based on information provided in the Application and responses to URRC IRs.

4.0 PROCESS

4.1 MAJOR OR MINOR APPLICATIONS

26. Under the URRC Act, it is directed that at the sole discretion of the URRC, the URRC shall determine whether an application is either minor or major for the purposes of determining the time required for processing of the application; a minor application provides for a time limit of 90 days for the URRC to report to the responsible Minister while a major application provides a time limit of 150 days. The URRC considered the possible effects of the standby service on other QEC customers, the need for IRs and responses, and the need for submissions from the public. As a result, the URRC determined to treat the Application as a major application.
27. The URRC determined that the 150-day deadline for submitting its report to the responsible Minister would be December 20, 2025.

4.2 PUBLIC PROCESS

28. Beginning on August 15, 2025, and until the deadline for written submissions of September 8, 2025, the URRC caused notice of the Application in *Nunatsiaq News* newspaper and in their online edition. The notice was posted on the URRC website and through social media. QEC sent a letter by email to each Member of the Legislative Assembly of Nunavut, to all mayors and senior administrative officers of each community across Nunavut and also gave notice of the Application, both to the public and to elected officials.
29. As stated above, the URRC provided an opportunity for the public to make written comments respecting the Application by the deadline of September 8, 2025. One public submission was received. The matters raised in the submission were addressed by QEC in a response provided to the URRC on September 18, 2025. The public submission and QEC's response were considered by the URRC in this report.
30. The URRC asked for more information from QEC regarding the Application. This was conducted through one round of IRs. The URRC asked a number of questions in order to better understand the details of the standby service, the proposed rate,

revisions to the T&Cs, and the use of TMI. The URRC explored the reasonableness of the proposed standby rate and the possible effects on other QEC customers. QEC responded to the IRs from the URRC on August 29, 2025.

5.0 EXAMINATION OF THE APPLICATION

5.1 STANDBY SERVICE

31. The URRC notes that QEC submitted there was interest from its customers for a service that would enable self-generation with backup supply from QEC's grid. QEC has differentiated standby service from the other self-generation and power production services that have been the subject of previous applications. It is noted that standby service is not available to residential NMP, or commercial (CIPP) customers that remain connected to the grid while producing and exporting or consuming electricity to/from the grid. The standby service also differs from independent power producers (IPP) that would be connected to the grid for the purposes of supplying electricity.
32. The URRC notes that QEC has been in discussions with one customer for standby service (as clarified in the response to IR URRC-QEC-1). It is also noted that QEC has researched how other jurisdictions have structured their standby service, and how QEC's specific needs should be reflected in the standby service described in the Application.
33. The URRC considered the objectives outlined on page 3 of the Application, and the principles on pages 9 and 10 of the Application. The URRC notes that QEC submitted it followed these objectives and principles when it developed its rate design for the standby service, and revisions to the T&Cs that will be used when entering into agreements with each new standby customer.
34. As noted earlier in this report, QEC stated that it will be required to maintain its generation and distribution system firm capacity at the level needed to meet the system's peak load (including that of standby customers). QEC submitted that it would target full cost recovery of providing standby service to ensure regular customers are not subsidizing standby service customers. QEC also submitted that the rate design for standby customers would need to reflect that they would have a low load factor due to only being connected and purchasing electricity for a portion of the

year. The proposed rate design will be discussed further in the next section of the report.

35. QEC also stated that the terms, limitations and agreements regarding its standby service would be subject to the following considerations:
- a. It is available only to commercial customers.
 - b. QEC will only enter into a standby arrangement when QEC considers it is technically feasible.
 - c. It is based on a nominated load to be verified by QEC and updated on an annual basis.
 - d. It is for a minimum six-month subscription period.
 - e. The customer is subject to connection and disconnection fees each time standby service is activated and deactivated.
 - f. The customer's system must be designed so that it cannot produce energy simultaneously while connected to the QEC grid.
 - g. The rate for the service is subject to future adjustments via QEC's GRA process.
36. Overall, the URRRC notes that the service described by QEC seems to be reasonable. The key attributes of the service should be reflected in the T&Cs so that QEC and its customers understand what is being offered and what the expectations are for both QEC and the customer entering into an agreement. The URRRC's review of the proposed revisions to the T&Cs is discussed later in the report.
37. The URRRC recommends that the standby service be approved, subject to the recommendations regarding the standby rate and revisions to the T&Cs in the sections that follow.

5.2 STANDBY RATE

38. QEC submitted some details regarding the objectives and principles it followed in its rate design for the standby service. The URRC notes the two options QEC provided in the Application, its assessment of the two options, and the recommendation.
39. The URRC questioned QEC further regarding how well its rate design compared to other jurisdictions and how well it satisfied the objectives and principles it used to inform its recommended rate.
40. The URRC does not intend to repeat all of the IRs and responses from QEC in this report but will summarize what the URRC considers most important. The difference between Option 1 (\$86.35/kW) and Option 2 (\$48/kW) has an impact on how well QEC will meet the objectives and principles it used in its rate design.
41. The URRC considers that the cost to provide service to the standby customer for both options would be the same based on the COSS provided by QEC in the 2025/26 GRA. QEC did not indicate in the Application or IR responses that the cost of service would differ, nor did QEC indicate that there were any problems or deficiencies in the COSS.
42. The URRC asked QEC to compare the revenue collected under the two options to the cost of service in IR URRC-QEC-6 (e and f). The responses illustrated that the revenue recovered under a scenario for Option 2 was \$0.543 million, whereas the revenue recovered under the same scenario for Option 1 was \$0.612 million. The revenue for both options was lower than the cost of service of \$0.634 million. Based on this information response the URRC considers that Option 1 does a better job of ensuring standby customers will not be subsidized by regular customers. The risk of cross-subsidization related to the proposed standby rate is evident based on the responses to IR URRC-QEC-6 (e and f).
43. The URRC notes that QEC's preference for Option 2 appears to be based on providing rate stability for self-generation customers. The URRC asked QEC to compare the full cost monthly demand charge from the last three GRAs. It is noted that the full cost monthly demand charge increased from \$68.15/kW in 2018/19 to

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- \$86.35 in 2025/26. The URRC notes that the increase of about 27 per cent is significant; however, it appears to be reflective of the increased cost of providing service. The URRC also notes that the approved demand charge increased from 8/kW to 16/kW in the 2025/26 GRA, and that the URRC continues to recommend a higher demand charge.
44. The URRC notes that the low RCC ratio for the approved demand charge results in some fixed costs being recovered via the energy charge. The URRC notes from the 2025/26 GRA that the RCC ratio for demand charge was 18.5 per cent and the RCC ratio for energy charge was 167.8 per cent. In the absence of the standby service (and CIPP), and assuming all commercial customers had similar load profiles, QEC and its commercial customers may be indifferent regarding the degree to which demand and energy costs are reflected in the rates. This was reflected by the overall RCC ratio of 101.8 per cent for commercial customers.
45. The URRC notes that QEC's rate design objectives from the 2025/26 GRA included a desire to move toward a 95 to 105 per cent RCC ratio for each rate class. Based on the responses to IR URRC-QEC-6 (e and f) the RCC for Option 2 would be 85.6 per cent (revenue of \$.543 million/ cost of \$.634 million); the RCC for Option 1 would be 96.5 per cent (revenue of \$.612/ cost of \$.634 million). The URRC considers that the RCC for Option 1 meets QEC's 95 to 105 per cent target RCC, whereas Option 2 does not.
46. The URRC notes that load retention has been a consideration in the standby rates offered by some jurisdictions, which may result in a lower RCC ratio for the service; however, QEC did not mention load retention in the application. Aside from providing rate stability for standby customers, and the similarity of its preferred approach to the one used by NTPC, QEC did not provide any other reasons for favouring Option 2 over Option 1.
47. The URRC notes that in the response to IR URRC-QEC-6(i) QEC indicated that while it recommends Option 2, it was not opposed to either rate option (i.e., 1 or 2), or any other consideration by the URRC.

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48. Based on the URRC's review of the Application, it is recommended that the standby rate be set at the full cost monthly demand charge of \$86.35/kW.
 49. The URRC notes that there may be some clarifications needed in the proposed revisions to the T&Cs regarding the standby rate (and the normal rate for the standby customer). The clarifications will be discussed later in the report.

5.3 CONNECTION AND DISCONNECTION FEES

50. The URRC notes that QEC has proposed to recover the connection and disconnection fees by way of a TMI each time the standby customer activates or deactivates the service. The fee will be based on the actual cost of making the connection (and presumably the disconnection).
51. The URRC asked for clarification of the connection and disconnection process in IR URRC-QEC-3. It appears that QEC has processes in place to ensure the connections and disconnections are completed safely, and on either a routine or non-routine basis. The turnaround will be based on the type of connection and disconnection requested.
52. The URRC recommends that connections and disconnections be managed as described by QEC in the Application and responses to IRs. The URRC also recommends that costs for each connection and disconnection be recovered by way of TMI each time standby service is active or deactivated.

5.4 TERMS AND CONDITIONS OF SERVICE

53. QEC provided proposed revisions to its T&Cs necessary to implement the standby service for customer generation. The URRC reviewed the proposed revisions and asked for some clarification via information requests (in URRC-QEC-2).
54. The URRC notes that the proposed revisions to the T&Cs included in the Application, and those provided in response to IR URRC-QEC-2j, appear to address the standby service, rate and connection and disconnection fees, however the URRC considers that there are some deficiencies and/or further clarification needed. Most of the

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- deficiencies/clarifications are quite minor. The URRC considers that some others should be addressed to avoid confusion in the future.
55. The URRC notes that Section 2.0 Definitions was described as being alphabetical; however, the numbering from sections 2.33 to 2.42 is not alphabetical. The URRC suggests this be addressed when QEC is finalizing the approved T&Cs. The URRC also considers that it would be helpful to have a definition for Nominated Load. It would be helpful to clarify whether Nominated Load is only used to calculate the demand portion of the bill when the standby customer is not connected to the grid. If the Nominated Load is also used for the normal demand portion of the bill, then that should be clarified, along with Section 2.13.
56. The URRC notes that some clarification should also be provided in the proposed changes to Schedule C regarding the monthly standby service charge. It may be helpful to state that the charge is (per kW of Nominated Load, when not connected to QEC's Grid).
57. The URRC notes that the language proposed for the first sentence of the paragraph added to Section 5.1 could be clarified to state "...the connection and disconnection will be charged by way of a TMI to recover the Corporation's cost to make the connection and disconnection, ...".
58. The URRC notes the language added to Section 3.5 Customer Generation (in the response to IR URRC-QEC-2j. The proposed addition is helpful, but the URRC would appreciate some clarification regarding the section in the current T&Cs that states "Retail stand-by service to back-up customer self-generation may be provided by the Corporation where surplus capacity is available." Perhaps the sentence could be reviewed in conjunction with the proposed addition. It is not clear to the URRC how the underlined portions of the sentence relate to the proposed standby service, or if further edits are necessary.
59. The URRC also considers that the response to IR URRC-QEC-4h highlights another possible clarification in the proposed language added to Section 3.5c) of the T&Cs. The question in IR URRC-QEC-4h was asking for QEC to "discuss the fairness of the

flexibility proposed for standby service customers (i.e., ability to change their nominated load, and/or move between regular service and standby service as needed), and the costs that may be transferred to other customers if the standby rate does not recover enough of the cost of serving standby customers.” QEC referred to the “new” language added to Section 3.5c) of the T&Cs regarding the ability to only change nominated load once a year, and the minimum six-month subscription period for standby service. The response says that a “customer must remain as a standby service customer for at least six consecutive months in a year and then as a regular service customer for the remainder of the year. It is not clear to the URRC that is what the proposed Section 3.5c) actually says. It refers to a minimum subscription period of six months, while Section 3.5a) refers to an annual renewal of the nominated load.

60. The URRC recommends that the contract term and subscription period be clarified in order to avoid confusion in the future. The URRC also recommends that the T&Cs (possibly in Section 3.5) include a statement that the fuel stabilization rate (FSR) will apply to standby customers if an FSR is in effect when they are connected to QEC’s grid as a regular customer.
61. The URRC considers that most of the suggested revisions/clarifications may appear to be minor, however it is recommended that QEC consider them and include any necessary changes when its T&Cs are revised.
62. The URRC also notes that during the review of the Application, including Section 2.24 and Schedule A of the T&Cs regarding maximum corporate investment, it appeared that those portions of the T&Cs should be reviewed with standby customers (and maybe other low load factor customers) in mind. The two issues raised by this Application that may require a review of maximum corporate investment should include the low revenue cost coverage for the demand portion of the rates for standby customers, and the minimum six-month commitment for standby service. The URRC considers that these issues raise the potential for stranded costs and increase the risk that other customers could end up subsidizing standby and other

low load factor customers. The URRC recommends that maximum corporate investment be reviewed in the next GRA.

5.5 OTHER MATTERS

63. The URRC notes that QEC requested approval of the proposed standby service, rate structure and T&Cs effective as of the date of the Ministerial Instruction. The URRC has recommended several amendments to the proposed rate structure and T&Cs, however, that should not affect the effective date.
64. As noted in the examination of the Application issues may arise when the RCC ratio for the commercial demand charges results in some fixed costs being recovered via the energy charge. The URRC recommends that QEC continue increasing its demand charge to improve the RCC ratio for commercial fixed costs being recovered by demand charges.
65. Further, the URRC recommends that QEC consider subdividing its existing rate classes if, for example, the discrepancy between low and high consumption customers, and low and high load factor customers may be unduly affecting certain groups of customers.

6.0 URRC RECOMMENDATIONS

66. Having considered the foregoing matters, the URRC recommends as follows:

Standby service, rates, fees and T&Cs

- That the Application be approved subject to the following:
 - Standby service be approved
 - Standby rate be set at the full cost monthly demand charge of \$86.35/kW.
 - Connection and disconnection fees be approved.
 - Revisions to the T&Cs, including clarification of the matters raised by the URRC in this report, be approved.
 - Above be approved effective as of the date of the Ministerial Instruction.

Future GRAs and general recommendations

- That in the next GRA, QEC should review the maximum corporate investment portion of the T&Cs to address the potential for stranded cost and cross-subsidization related to standby and other low load factor customers.
- That in the next GRA, QEC continue increasing its demand charge to improve the RCC ratio for commercial fixed costs being recovered by demand charges.
- That in the next GRA, QEC consider subdividing its existing rate classes if, for example, the discrepancy between low and high consumption customers, and low and high load factor customers is unduly affecting certain groups of customers.

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

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

A handwritten signature in black ink, appearing to read 'P. Okalik', is written over a light blue horizontal line.

DATED: October 24, 2025

**Paul Okalik, Chair
Utility Rates Review Council of Nunavut**