

Nunavut Electricity Subsidy Program: Contribution Policy

Purpose

In support of the development of northern business and the encouragement of private home ownership, the Government of Nunavut will provide for equitable power rates.

The Nunavut Electricity Subsidy Program (NESP) is designed to provide small commercial enterprises and private residential power consumers, with equitable rates for power consumption.

The cost differential for power consumption between Iqaluit rates and those of other Nunavut communities will be paid for by this Contribution Policy, up to specified consumption levels.

Under the conditions outlined in this directive, subsidized rates for all Nunavut communities will be calculated at 50 percent of the Iqaluit base rate.

Provisions

Eligibility

Commercial customers:

In order to be eligible for this subsidization, small commercial enterprises must have annual gross revenues of \$2.0 million or less for the calendar year in which they are applying and no other subsidy must have been received from the Qulliq Energy Corporation.

Residential customers:

For residential customers to be eligible, they must be responsible for paying their own power bills.

Criteria

Commercial customers:

Small commercial enterprises will be required to exhibit eligibility by providing to the Government financial statements for the previous fiscal year's operation (Income Tax statements are acceptable) and electricity bills.

Residential customers:

Residential consumers will not be required to exhibit eligibility, as their accounts with the Qulliq Energy Corporation will be proof of responsibility for payment of their utility bills.

Review

Commercial customers:

For small commercial enterprises, the Department of Finance will approve the applications for subsidization based upon review of financial statements for the previous fiscal year.

Residential customers:

For residential consumers a review will not be required, as their accounts with the Qulliq Energy Corporation will be proof of responsibility for payment of their utility bills.

Supporting Data

Commercial customers:

Eligible small commercial enterprises will be required to submit the previous year's financial statements indicating gross revenue of less than \$2 million. In addition, any businesses that meet the criteria will be required to submit copies of their utility bills annually to the Department of Finance for reimbursement of the amounts eligible under this subsidy.

Residential customers:

No documentation is required.

Amount of Contribution

Commercial customers:

For small commercial enterprises the maximum subsidization will be for the first 1000 kilowatt-hours of monthly power consumption.

Residential customers:

During the April to September billing cycles, the first 700 kilowatt-hours will be billed at the subsidized rate. For the October to March billing cycles, the first 1,000 kilowatt-hours used each month will be billed at the

subsidized rate. Any power consumed in excess of these thresholds will be billed at the full rate that has been set for the community in which the customer resides.

No credit build-up for use in succeeding months will be permitted.

The minimum monthly charge will be fully subsidized by this program.

Method of Payment

Commercial customers:

Payment of the electricity subsidy to small business enterprises will be made within 20 days of receipt of their completed applications with all supporting documentation.

Residential customers:

For residential customers, the subsidization will be automatically deducted from their monthly power bills, and denoted as Nunavut Electricity Subsidy Program.

Term

This program will become effective April 1, 2005. It will remain in effect until such time as further proposals are approved by the Executive Council.

Other

Inquiries on the Nunavut Electricity Subsidy Program should be sent to:

Nunavut Electricity Subsidy Program
Department of Finance
Government of Nunavut
P.O. Box 1000, Station 360
Iqaluit, Nunavut
X0A 0H0

Phone: (867) 975-5800
Fax: (867) 975-5868.

For eligible commercial enterprises, this subsidy policy will be retroactive to one year prior to the beginning of the Government's fiscal year. The retroactive feature will apply back to January 1, so as to correspond with most firms' fiscal years (e.g., for 2005-06, the program will be retroactive back to January 1, 2004).

This will allow ample time for eligible commercial enterprises to submit their applications for reimbursement.

Prerogative of Executive Council

Nothing in this directive shall in any way be construed in whole or in part, to limit the prerogative of the Executive Council to make decisions or take actions respecting power subsidy contributions outside the provisions of this directive.

Premier