



A Mission Subverted

The primary mission of our crown corporation has been subverted. Over the years successive governments have ordered Hydro-Quebec to maximize profits in order to collect a larger dividends. The Quebec Government now collects 75% of the net benefits of Hydro-Quebec, a sum of 2.7 billion dollars in 2012. Instead of solving this problem, the PQ's 2013-2014 budget has found ways to look for even more money! But Hydro-Quebec is not a cash cow. Increasing Hydro-Quebec fees to finance the state is not a tax. Do we want to tax an essential service? **No!**

What is the Heritage Pool (BP)?

The Heritage Pool (*Bloc Patrimonial*) is a quantity of electricity that Hydro Quebec must produce every year to fulfill the needs of Quebecers. Currently, the BP covers 95% of our foreseeable electrical needs for 2013. Hydro Quebec will make a profit of 950 million dollars on the sale of the BP, though its rate has been

frozen since 2000. This represents a profit margin of 22.5%! Compare that to the 2012 average profit margin of Canadian businesses - 8.5%!

The current price of the BP is generally greater than the cost of producing the electricity generated though the large public hydro-electric installations built in the 1960s.

So is electricity really offered at a rebate to the Quebec population, as we so often hear?

Not at all!

What Will Happen to the Price of the BP?

Despite all of this, the Parti Québécois government has announced that they will end the rate freeze of the BP as of January 1st 2014. This will provoke a series of rate increases, on top of the annual increases already decided by the *Régie de l'énergie*... and so on, into perpetuity! Rather than using progressive fiscal measures, such as a progressive income tax system, these rate increases will join a series of other increased fees for public services.

Large industries will be exempted from this BP rate increase. What they should owe will be spread out amongst residential consumers and small businesses!

In Summary

Increasing electricity rates will hit less fortunate households the hardest. These households spend around 10% of their income on their Hydro bill. Compare that to the wealthiest households, for whom the electricity bill represents only 1.5% of their income. This increase is a regressive tax, as people who have less money will pay more in proportion to their revenues. And that's why we don't want the state to finance itself through our electricity bills!

The most important mission of Hydro-Quebec is to guarantee that everyone has access to an essential service at a low price. We won't settle for less.





Is Electricity an Essential Service?

Yes! Hydro-Quebec (HQ) has recognized that "electricity is an essential service for all households...that is why no residential client will be deprived of electricity because of non-payment during the winter period."

Why Did We Nationalize Electricity?

To ensure that everyone has access to electricity. During the era of nationalization, the mission of HQ was to 'provide energy...at the lowest price compatible with a healthy financial administration.' Does HQ still fulfill this mission? **No!**

What is the Coalition?

The *Coalition oppose à la privatisation et à la tarification des services publics* (Coalition opposed to privatization and user fees for public services) was formed in 2009 after the Liberal government announced that it would increase user fees and introduce austerity measures as a way to return to a balanced budget.

Dozens of groups rose up against the user-payer ideology and joined the new coalition by signing a declaration of principles. A diversity of social groups, often represented by provincial and regional coalitions, are members. The Coalition represent several sectors: women's centers, unions, popular education groups, community groups and student associations are amongst its members.

www.NonAuxHausses.org
info@NonAuxHausses.org



Credits

Research and Editing:
Union des consommateurs

Graphic Design: *Association pour une solidarité syndicale étudiante (ASSÉ)*



CURRENT BEFORE PROFITS

Against Hydro-Quebec Fee Increases



The government's new strategy to pick your pocket

