



**Press Release**  
*For immediate release*

## **Hydro Québec's Second-Tier Electricity Rate Increase Will Hurt Nunavik Residential Consumers**

**Kuuujuaq, Québec, April 4, 2016** – The Makivik Corporation and the Kativik Regional Government (KRG) disapprove of a recent decision by the Régie de l'énergie (energy board) to permit Hydro Québec to apply an annual 8% increase to the second-tier residential rate for off-grid networks north of the 53rd parallel beginning on April 1, 2016, including for the networks in the 14 northern villages.

The Régie decision ignores concerns raised by Makivik Corporation and the KRG regarding the detrimental social and economic consequences of the significantly higher increase for Nunavik residential electricity consumers compared with smaller increases announced for other regions, including for off-grid networks south of the 53rd parallel.

In its opposition to the annual 8% increase, Makivik Corporation and the KRG argue that the main factors of high electricity use in some Nunavik homes stem from overcrowding (which is a result of greater use of appliances and electronic devices), the need to conserve country food obtained from traditional subsistence hunting, fishing and gathering, as well as the effects of harsher winters and shorter daylight hours (which place greater demand on the electrical systems that control furnace-oil burning heating systems). Makivik and the KRG consider Hydro Québec's claim that auxiliary electrical heating in Nunavik homes is the cause of high electricity use to be unsubstantiated.

Makivik Corporation and the KRG are also critical of the recent decision by the Régie de l'énergie because Hydro Québec has not done enough to evaluate, develop, promote and implement energy-efficiency measures and awareness programs for Nunavik residential consumers. Such action in collaboration with all concerned stakeholders was recommended by the Régie in a decision in March 2014.

The high annual increase for the second-tier electricity rate for residential consumers will be applied despite the multiple socioeconomic challenges already faced by Nunavimmiut related to overcrowded housing, a high cost of living produced by the region's remoteness, job-market access obstacles and poverty. Close to 38% of Nunavik households are considered to be living under the poverty line. The high annual increase will in particular affect private homeowners, businesses and regional organizations responsible for lodging staff including the Nunavik Regional Board of Health and Social Services and the Kativik School Board, as well as the

Kativik Municipal Housing Bureau which manages social housing in the region. Given that 38% of social housing units have recorded overconsumption, Makivik Corporation and the KRG fear the annual increase will eventually drive up rent, with the most severe impacts being felt by the region's most disadvantaged residents.

According to the decision rendered on March 7, 2016, the Régie accepted the application by Hydro Québec to begin implementing an annual 8% increase of the second-tier residential rate for off-grid networks north of the 53rd parallel (i.e. for daily consumption greater than 30 kWh/day) in addition to a 0.7% increase for first-tier rates applicable throughout Québec.

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*Makivik is the development corporation mandated to manage the heritage funds of the Inuit of Nunavik provided for under the James Bay and Northern Québec Agreement. Makivik's role includes the administration and investment of these funds and the promotion of economic growth by providing assistance for the creation of Inuit-operated businesses in Nunavik. Makivik promotes the preservation of Inuit culture and language as well as the health, welfare, relief of poverty, and education of Inuit in the communities.*

*The Kativik Regional Government is a non-ethnic public organization created in 1978, under the James Bay and Northern Québec Agreement. The organization has jurisdiction over nearly the entire territory of Québec north of the 55th parallel in areas such as municipal matters, transportation, the environment, policing, employment, labour training, income security, childcare services, renewable resources, land-use planning, civil security and economic development.*