

JUST SAY NO!



**WE CAN'T SELL OUT
TO HYDRO QUEBEC!**

The MOU Truth:

Read the MOU and Decide for Yourself

In the MOU HQ Sub is actually NB Power, and owned by HQ. Any mention of charges or costs associated with HQ sub, will be charged to New Brunswick rate payers.

Upgrades, repairs and decommissioning costs will be financed by Quebec but paid by NB rate payers (with interest). All costs will ultimately be paid by the NB power users. All profit will go to Quebec share holders.

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According to the NB auditor general, the NB Government generates \$100 million/yr profit from NB Power in taxes and fees.

The NB Government (pass and future) has used this money to pay for programs and services; including health care and education.

Where is future governments going to get \$100 million per year to replace this revenue loss?

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NB Government today has 5 ways to create revenue for programs and services.

Federal Government transfer Payments / Taxes / NB Liquor Profits / NB Power Revenue / Fees and Levies

If NB Power is sold there will only be 4 ways generate revenue. The Federal Government isn't likely to give us any more handouts and the government can't make us drink more.

So, future governments will have to increase taxes and fees. If they do not increase taxes or fees they will have to reduce services or increase the provincial debt again (without NB Power assets to back up the new debt).

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Watch the Power Rates increase after year 5!

We currently have in-province power usage that exceeds the 14 TWH heritage pool by 0.25 TWH.

A conservative cost of the market rate for this power is in the range of \$20 million/yr. This cost assumes 2009 rates and no residential or industry growth.

If there is growth, the cost will be higher. The government set a heritage pool cap that includes no growth!

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The Power rates after year 5 will be determined by adding all the following together:

- **Cost of replacement power above heritage pool value plus interest (\$20 million minimum/yr)**
- **Cost of upgrades and repairs to NB Equipment plus interest**
- **Increases in the NB CPI for the year. On average @1.8%/yr (This alone is already 62% of the 2.9% NB Power charges)**
- **NB Government cost for the decommissioning of the thermal stations. Est. @ \$100 Million**

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Add these up and you can see that the yearly rate increase will be a lot more than the 2.9% NB Power currently works within (more likely in the range of 7% to 9.5%).

The NB Government says this will be controlled by the EUB on a “FAIR AND REASONABLE” rate of increase.

Well if HQ SUB does spend \$100 million on replacement power, along with millions on upgrades and repairs of NB Power equipment; would it not be “FAIR AND REASONABLE” for them to be compensated with interest?

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In addition if HQ adds their agreed upon CPI increase as stated in the MOU, and the NB Government (of the day) exercises their right to recoup decommissioning costs; would it not be “FAIR AND REASONABLE” for them to be compensated?

Do not forget that Quebec will want profit for their share holders which is something NB Power has never looked to generate.

Expect 7.5% to 9.5% years 6, 7, 8, 9, etc.

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We are presenting facts as reported by various news agencies and the MOU signed by NB and Quebec governments.

We are presenting these facts as concerned New Brunswickers who are not affiliated with any political party.

We are against this deal because we can see it is bad for the long term future of the people in New Brunswick (our children). *Big business may benefit, but no one else!*

There is a better deal out there for New Brunswickers. Contact your MLA and tell them what you think of this deal: PC and Liberals: egpcmla@gnb.ca and leglibmla@gnb.ca