



2727 COWORKING / RESEARCH & PRACTICAL GUIDANCE

Hydro-Québec Rate G: What a Small Office Pays in 2026

Find a practical home for your work at 2727 Coworking in Montreal. Explore private offices, day workspaces and meeting rooms, plus business-address and virtual-mailbox services for your company.

Published by 2727 Coworking · 2026-10-29 · hydro-québec business rates · hydro quebec tarif g · electricity cost small office montreal

Original article: <https://2727coworking.com/articles/hydro-quebec-business-electricity-rates-small-office-rate-g-costs>



In this article

1. Who is on Rate G
2. The Rate G formula in 2026
3. Minimum bill and short-term contracts
4. Worked examples for a small office
5. Seasonal behaviour and what drives the bill
6. How rates change: the 2026 increase
7. Automatic switching to Rate M or G9
8. Savings programs and dynamic pricing
9. Opening an account as a tenant
10. Utilities in a serviced office vs your own lease
11. Sources

Who is on Rate G

Rate G, the *general rate for small-power customers*, is Hydro-Québec's most common business rate. Hydro-Québec describes it as the rate for customers who are not billed for power demand or whose minimum billing demand is under 65 kW ([Hydro-Québec, rates for business customers](#)). In general, Rate G is advantageous for customers whose power demand does not exceed 50 kW, which is the case for **about 90% of Hydro-Québec business customers** ([Hydro-Québec, Rate G](#)).

Formally, article 3.1 of the 2026 tariff book says Rate G applies to a small-power contract with a minimum billing demand of less than 65 kilowatts ([Hydro-Québec, Electricity Rates effective April 1, 2026](#)).

In practice, almost every independent office, studio, consultancy or small shop in Montreal that has its own Hydro-Québec account is on Rate G. If you rent an office and the lease says utilities are your responsibility, this is the rate you will be billed on. This article explains the bill and gives worked examples. Rates are those in effect as of October 2026 (en vigueur en octobre 2026), before taxes.

The Rate G formula in 2026

Article 3.2 of the tariff book sets the monthly structure for an annual contract ([Electricity Rates 2026](#)):

Component	Price (from April 1, 2026)
System access charge	\$15.426 per month
Power (demand) charge	\$22.071 per kW of billing demand in excess of 50 kW
Energy, first block	12.388¢ per kWh for the first 15,090 kWh
Energy, second block	9.534¢ per kWh for the remaining consumption

What each part means:

- **System access charge.** A fixed amount for being connected, billed every month even if you use nothing.
- **Power demand.** The highest rate at which you draw electricity during the period, measured in kilowatts. With Rate G, the first 50 kW are not billed ([Hydro-Québec, Rate G](#)). A typical small office with lighting, computers, a kitchenette and baseboard or heat-pump heating stays well under that, so it pays no power charge at all.
- **Energy.** What you use, in kilowatthours. Note that the second block is cheaper than the first: Rate G is "degressive". The tariff book says this degressivity is being eliminated through increases to the second-tier price each April 1 (article 3.7), although in 2026 both blocks rose by the same 3.8%.

Billing demand is the maximum power demand during the period, but never less than the **minimum billing demand**, which equals 65% of the highest demand recorded in any winter period within the last 12 months (articles 3.3 and 3.4). The winter period runs from December 1 to March 31 (definitions, Chapter 1). A maximum-demand meter is installed when the installation is likely to exceed 50 kW (article 3.6).

Minimum bill and short-term contracts

The **minimum monthly bill** is \$15.426 for single-phase delivery and \$46.278 for three-phase delivery ([Electricity Rates 2026, art. 3.2](#)). Your contract or first bill shows which applies.

A **short-term contract** (at least one monthly period) is eligible for Rate G, but the system access charge and minimum monthly bill are increased by \$15.426, and in the winter period the monthly demand charge is increased by \$7.542 (article 3.5). This matters for pop-ups and temporary sites rather than ordinary office leases.

Worked examples for a small office

All examples assume an annual contract, single-phase delivery, demand under 50 kW and a full monthly period, before GST and QST. They are illustrative: your bill depends on your actual consumption and billing period.

Monthly use	Typical profile (illustrative)	Calculation	Bill before taxes
500 kWh	2-person office, no electric heat in the unit	$\$15.426 + 500 \times \$0.12388$	\$77.37
1,500 kWh	4-6 people, summer cooling	$\$15.426 + 1,500 \times \$0.12388$	\$201.25
3,000 kWh	6-10 people, electric heat in winter	$\$15.426 + 3,000 \times \$0.12388$	\$387.07
6,000 kWh	Larger studio, winter month	$\$15.426 + 6,000 \times \$0.12388$	\$758.71

The profiles are invented to make the numbers concrete; consumption varies with heating type, insulation and equipment.

A larger example with a demand charge. A small restaurant-style kitchen or workshop uses 20,000 kWh in a month and hits 60 kW of demand:

Line	Calculation	Amount
System access		\$15.43
Power above 50 kW	$(60 - 50) \times \$22.071$	\$220.71
First energy block	$15,090 \times \$0.12388$	\$1,869.35
Second energy block	$4,910 \times \$0.09534$	\$468.12
Total before taxes		\$2,573.60

Two lessons from the arithmetic:

1. **For a typical office, the bill is almost entirely energy.** Below 15,090 kWh, every kWh costs 12.388¢, so halving consumption roughly halves the bill.
2. **Demand matters once you cross 50 kW.** Each kW above that costs \$22.071 a month, and a winter peak raises your minimum billing demand for the following 12 months.

For how business expenses such as utilities and the related GST/QST input tax credits are treated, see our guide to [Quebec freelancer expenses and GST/QST](#).

Seasonal behaviour and what drives the bill

- **Heating.** Where heating is electric and on your meter, winter months can be much higher than spring or fall. Ask the landlord before signing whether heating and air conditioning are on your meter or the building's.
- **Winter peaks.** A single cold morning with everything running sets the winter maximum demand that feeds your minimum billing demand for the next 12 months (article 3.4). For small offices under 50 kW this has no direct cost; for spaces near 50 kW it does.
- **Load factor.** If your demand is high but your energy use is low (for example, a workshop with heavy equipment used a few hours a week), Rate G9 may become the better rate, which is why the switching rule below exists.
- **Budgeting.** Hydro-Québec's Equalized Payments Plan spreads the estimated annual cost over 12 equal monthly payments and reviews the installment each year; for accounts billed under \$100,000 a year you sign up in your Customer Space ([Hydro-Québec, Equalized Payments Plan](#)).

How rates change: the 2026 increase

Electricity rates are set by the **Régie de l'énergie**. Every three years, Hydro-Québec files a rate application with the Régie, which sets the rates; the current cycle covers increases effective April 1 of 2026, 2027 and 2028 ([Hydro-Québec, how prices are determined](#)).

The 2026-2028 cycle was settled in three Régie de l'énergie decisions in file R-4307-2025:

Step	Business rates (general and Rate L industrial)	Residential (Rate D and other domestic rates)
Hydro-Québec's request (July 31, 2025)	4.8% a year for 2026, 2027 and 2028	3.0% a year
Decision D-2026-033, March 13, 2026 (Régie's estimate)	3.6% a year	3.0%, 3.0%, 2.6%
Decision D-2026-036, March 26, 2026 (2026 grid fixed)	3.8% from April 1, 2026	3.0% from April 1, 2026
Decision D-2026-081, July 30, 2026 (final)	3.8% on April 1, 2027 and April 1, 2028	2.9% in 2027, 2.6% in 2028

Sources: [Régie, decision summary D-2026-033 and full decision](#), paras. 813-820; [D-2026-036](#), paras. 18-19, 35-36; [D-2026-081](#), paras. 17, 100.

Why 3.6% and 3.8% both circulate. They cover the same customers, all general (business) rates including Rate G plus large-power industrial Rate L, and the same year. 3.6% was the Régie's estimate in its March 13, 2026 decision on the merits. It told Hydro-Québec to apply its smoothing mechanism, which spreads the business share of revenue over the three years. Run on the updated revenue requirement, that mechanism gave 3.8%, and the Régie fixed the 2026 grid on that basis on March 26 (D-2026-036, para. 35). Hydro-Québec's [rate page](#) therefore shows the authorized figure. The industrial customers' association contested the gap, but in D-2026-081 the Régie confirmed the smoothed 3.8% for 2027 and 2028 as well.

The tariff book bears this out for Rate G. Every component rose by the same 3.8% from April 1, 2025 ([2025 tariff book](#), art. 3.2): system access \$14.860 to \$15.426, demand \$21.261 to \$22.071, first block 11.933¢ to 12.388¢, second block 9.184¢ to 9.534¢. The Régie applied the general-rate increase uniformly to energy and power prices.

The 3% cap is residential only. Under section 52.4.1 of the Act respecting the Régie de l'énergie, added by the 2025 energy governance Act (S.Q. 2025, c. 24), the government sets a maximum increase for certain domestic rates. Order in council 1239-2025 of October 8, 2025 fixed it at 3% for 2026, 2027 and 2028 (D-2026-033, para. 806). No cap applies to Rate G. Because residential increases are held down, business customers carry more of the revenue requirement: before smoothing, their increase would have been 4.9% in 2026 (D-2026-081, table 27).

For budgeting: the 1,500 kWh office in the table above pays \$201.25 a month at 2026 prices. If the April 1, 2027 increase is applied uniformly like this year's, that becomes about \$208.90 ($\$201.25 \times 1.038$).

Automatic switching to Rate M or G9

Two mechanisms can move you off Rate G ([Electricity Rates 2026](#)):

1. **Size.** When your minimum billing demand reaches or exceeds 65 kW, the contract is no longer eligible for Rate G and becomes Rate M, or Rate G9 if your average load factor over the last 12 periods is under 26% (article 3.4).

2. **Savings test.** Each year, after the April 1 increase to the second-tier energy price, Hydro-Québec checks whether Rate M or G9 would have saved you at least 3% over the previous 12 months at the new prices. If so, it automatically switches you from the period beginning on or after April 1. You can ask to see the analysis, and you may, once, choose another eligible rate within three monthly periods after the change (article 3.7).

An office that stays well under 50 kW of demand is unlikely to reach the 65 kW threshold.

Savings programs and dynamic pricing

- **Rate Flex G.** A dynamic rate: in winter, electricity is cheaper than the base rate except during peak demand events, when it is billed at a high price. You get a notification the day before an event and must shift or limit non-essential use ([Hydro-Québec, Rate Flex G](#)). It suits businesses that can actually reduce use during morning and evening winter peaks. An office with staff arriving at 8 a.m. may find that hard.
- **Winter Credit Option.** Gives a credit when you reduce consumption at Hydro-Québec's request during peak hours (6 to 10 a.m. and 4 to 8 p.m. in winter). Under the 2026 tariff book it is **reserved for the Rate G contract to which it applied up to March 31, 2026**, for contracts with maximum demand under 50 kW (articles 3.9 and 3.10). In other words, new contracts can no longer join it.
- **Energy efficiency.** Hydro-Québec says it will invest \$2.5 billion in energy efficiency over three years and work with commercial customers on customized measures ([Hydro-Québec newsroom](#)). For a tenant, the practical levers are lighting, thermostats and turning equipment off at night, agreed with the landlord where the building's systems are involved.

Opening an account as a tenant

If your lease makes you responsible for electricity, the service must be in your company's name:

- **Add the address** in your business Customer Space, with the full street address and postal code. Requests made online are free; through a customer service representative, a \$25 fee (plus GST and QST) is added to the first bill. Notify Hydro-Québec no earlier than six months before taking possession ([Hydro-Québec, add an address](#)).
- **Deposit.** Under its Conditions of service, Hydro-Québec may require a payment guarantee if your company defaulted on payments in the last 24 months. The deposit corresponds to the highest estimated billing (power and energy) for 60 consecutive days (same source).
- **Meter reading at move-in.** Agree with the landlord or previous tenant on the start date so you are not billed for their consumption.
- **At move-out,** end the contract for the address on your departure date.

Utilities in a serviced office vs your own lease

Electricity is one of several occupancy costs that a conventional lease passes to you on top of rent. Our page on [hidden office occupancy costs](#) lists the others (property-tax pass-throughs, common-area charges, internet, cleaning, insurance).

A simple comparison for a 6-person team:

Line	Own lease (you pay)	Serviced or coworking office
Rent	Per lease	Monthly price
Electricity	Your Rate G bill, e.g. \$201 to \$387 a month in the examples above	Check the agreement
Internet, cleaning, furniture	Separate	Check what the price includes
Deposit to Hydro-Québec	Possible if past default	None for you
Admin	Account, meter, move-in and move-out	Operator handles it

Use our [office space calculator for hybrid teams](#) to size the space before comparing.

If you would rather not open a Hydro-Québec account at all, 2727 Coworking's [private offices](#) in Griffintown list what the monthly price includes on the page.

Sources

1. Electricity Rates, effective April 1, 2026 (Hydro-Québec tariff book, PDF)
2. Rate G: general rate for small-power customers (Hydro-Québec)
3. Rates for business customers (Hydro-Québec)
4. Rate Flex G (Hydro-Québec)
5. How electricity prices are determined and rate increases (Hydro-Québec)
6. Hydro-Québec reaffirms its commitment: affordable and competitive rates (Hydro-Québec newsroom)
7. Sommaire de la décision D-2026-033, dossier R-4307-2025 (Régie de l'énergie, PDF)
8. Décision D-2026-033 du 13 mars 2026, R-4307-2025 (Régie de l'énergie, PDF)
9. Décision D-2026-036 du 26 mars 2026, R-4307-2025 (Régie de l'énergie, PDF)
10. Décision D-2026-081 du 30 juillet 2026, R-4307-2025 (Régie de l'énergie, PDF)
11. Electricity Rates, effective April 1, 2025 (Hydro-Québec tariff book, PDF)
12. Add an address (Hydro-Québec, business customers)
13. Equalized Payments Plan (Hydro-Québec, business customers)

Source links

Links cited in this article, in order of first appearance. Full addresses are provided for readers using extracted text.

1. <https://www.hydroquebec.com/business/customer-space/rates>
2. <https://www.hydroquebec.com/business/customer-space/rates/rate-g-general-rate-small-power.html>
3. <https://www.hydroquebec.com/data/documents-donnees/pdf/electricity-rates.pdf>
4. <https://www.hydroquebec.com/business/customer-space/paying-bill/equalized-payments-plan.html>
5. <https://www.hydroquebec.com/business/customer-space/rates/service-charges.html>
6. https://www.regie-energie.qc.ca/fr/participants/dossiers/R-4307-2025/doc/R-4307-2025-A-0067-Dec-Som-2026_03_16.pdf
7. https://www.regie-energie.qc.ca/fr/participants/dossiers/R-4307-2025/doc/R-4307-2025-A-0066-Dec-Dec-2026_03_16.pdf

8. https://www.regie-energie.qc.ca/fr/participants/dossiers/R-4307-2025/doc/R-4307-2025-A-0069-Dec-Dec-2026_03_26.pdf
9. https://www.regie-energie.qc.ca/fr/participants/dossiers/R-4307-2025/doc/R-4307-2025-A-0080-Dec-Dec-2026_07_30.pdf
10. <https://www.hydroquebec.com/data/documents-donnees/pdf/electricity-rates-2025.pdf>
11. <https://www.hydroquebec.com/business/customer-space/rates/rate-flex-g.html>
12. <https://news.hydroquebec.com/news/press-releases/all-quebec/hydro-quebec-reaffirms-commitment-affordable-competitive-rates.html>
13. <https://www.hydroquebec.com/business/customer-space/moving/add-address.html>

THE PUBLISHER

About 2727 Coworking

2727 Coworking is a Montreal workspace and business-address provider. We serve people who need a place to focus, meet, run a small business or establish a professional mailing presence. Our website offers English and French information about workspace options and services, alongside educational resources for operating a business in Canada.

A workspace that fits the day

Our workspace options include private offices, day passes and desks, and a conference room. These formats help individuals and teams compare a dedicated office with more flexible ways to work or hold a meeting. Prospective members can explore the virtual tour, review current pricing and book a visit before choosing a workspace.

Business addresses and mail

2727 Coworking provides business-address and virtual-mailbox services. Our resources explain the documents and practical questions involved, including guidance for people outside Canada. Service eligibility, included features, availability and access arrangements should be confirmed on the applicable service page or with our team.

Resources for Canadian small businesses

We publish guides, research and planning tools about workspace decisions, business addresses and starting a business in Canada. Our incorporation research includes information for people inside Canada and abroad, with jurisdiction-specific material to help readers identify the next questions to investigate. These educational resources complement our workspace and address services; they are not individualized legal, tax or immigration advice.

Visit or contact 2727 Coworking

Explore [private offices](#), [day passes and desks](#), [the conference room](#), [business addresses](#) and [virtual mailboxes](#). [Book a visit](#) or [contact the team](#) to discuss your needs.

A business address alone does not establish tax residence, immigration status, banking approval or eligibility for a government program.

Website: <https://2727coworking.com>

This article is educational. Verify consequential medical, legal, financial, regulatory and technical decisions with appropriate professionals and the cited primary sources. Company services are described separately from the article's research findings.