



# Power to the People:

## Helping low-income Manitobans cope with rising Hydro rates

Presented to the Public Utilities Board  
Needs For and Alternatives To Review (NFAT) of  
Manitoba Hydro's Preferred Development Plan  
May 2, 2014  
On behalf of Winnipeg Harvest:  
Donald Benham, Director of Hunger and Poverty Awareness

### Introduction

Winnipeg Harvest thanks the Public Utilities Board for inviting the public to address Manitoba Hydro's future plans and for granting an extension to the deadline for submissions.

We also acknowledge and commend the board for working with the Consumers' Association of Canada and the Manitoba Metis Federation to ensure the voices of six Manitoba Hydro consumers were heard in this room. Dave Mouland, a volunteer at Winnipeg Harvest who was on the panel, thanks the Board members for their respect and attentiveness to all of the panel members.

Mr. Mouland was speaking in his capacity as an individual. I have been tasked by our Board's Hunger and Poverty Awareness Committee to present Winnipeg Harvest's position. Winnipeg Harvest will only address our perception of how Manitoba Hydro's plans are likely to affect low-income Manitobans, leaving it to others to speak on the many other issues before this hearing.

Winnipeg Harvest is a non-profit, community based organization that is a food distribution and training centre. Our goals are to collect and share surplus food with people who live with hunger and poverty and to offer training opportunities to help people step up and out of poverty. Our ultimate goal is to eliminate the need for food banks. We have adopted the goal of reducing the need for food banks by half by 2020.

We work with more than 340 agencies across Winnipeg and across Manitoba to provide emergency food assistance to people who need it.

### Reduced rate increases for low-income Manitobans

Manitoba Hydro's current policy is to charge consumers the same rates for the same amounts of electricity, no matter where they live in the province.<sup>i</sup> This policy was implemented by Manitoba Hydro at the direction of the provincial government of the day.

This policy has two important consequences:

1. Low-income ratepayers all over the province pay the same Manitoba Hydro rates as high-income ratepayers. The rates do not reflect ability to pay.
2. Ratepayers in areas which are cheaper for Manitoba Hydro to service, such as the City of Winnipeg, subsidize those who live in rural, northern and remote communities. The principle of cross-subsidization is already well-established.

Manitoba Hydro's current plan anticipates continuing the current policy of uniform rates across the province. As a result, as rates are increased, low-income ratepayers will face exactly the same cost increases as high-income ratepayers, but without the financial ability to absorb the increases. This will result in many more people taking money out of their food budgets and needing food assistance from Winnipeg Harvest and the agencies we work with.

Winnipeg Harvest acknowledges the efforts the Public Utilities Board has already made to encourage savings for low-income consumers through greater energy efficiency. We return to that subject below.

Winnipeg Harvest also acknowledges the research by retired University of Winnipeg geography professor Tom Carter into programs designed to help low-income consumers in other jurisdictions. Many of them represented well-intended but ill-thought-out plans that foundered because they were based on faulty assumptions about low-income consumers.<sup>ii</sup>

The members of the Hunger and Poverty Awareness team at Winnipeg Harvest include Board members, staff and volunteers, some of whom have lived or continue to live with hunger and poverty.

We respectfully ask the Public Utilities Board to consider the following proposal:

1. The Board order Manitoba Hydro to raise rates by no more than one per cent per year for low-income ratepayers;
2. Ratepayers would apply to be designated as low-income ratepayers;
3. Ratepayers whose Hydro bills are paid in full through a government program, such as Employment and Income Assistance, would not be eligible for the designation;
4. Manitoba Hydro could require copies of the most recent year's income tax return of the ratepayer and all other non-dependent adults in the household. This is already a requirement under the low-income energy efficiency program;



5. Income levels to determine eligibility for designation as a low-income ratepayer would be based on the 2012 Acceptable Living Level report.

### The 2012 Acceptable Living Level report

Winnipeg Harvest and the Social Planning Council of Winnipeg have partnered since 1997 on producing the Acceptable Living Level report, which measures how much money is needed to buy basic necessities in Winnipeg. The most recent Acceptable Living Level report, published in 2012, is freely downloadable under the Learn tab at [winnipegharvest.org](http://winnipegharvest.org). The 2012 edition also included valuable data from Little Grand Rapids.

Winnipeg Harvest invites Public Utilities Board members to read through the report, the heart of which is a list of basic necessities, developed by a panel of Winnipeg Harvest clients. Ask yourselves: What would I add? What would I take out? But when doing so, imagine you are answering for your own family, not someone else's. Could you send your own child to her friend's birthday party without a gift?

If you agree with the premise that all Manitobans should be allowed to live with dignity and have enough to eat, than we believe you must also agree that it is your duty as a public regulator to reduce the impact of the rate increases on low-income Manitobans, those living below the income level set by the Acceptable Living Level report.

### Energy efficiency prevented by subsidy rule

Winnipeg Harvest acknowledges that low-income Manitobans covered by the Employment and Income Assistance program, also known as welfare, almost always have their utility bills paid in full by the province. They are thus largely protected from the proposed rate increases and are not eligible for the low-income ratepayer designation proposed above.

The Manitoba Hydro Act has been interpreted by the province as prohibiting Manitoba Hydro from subsidizing the provincial government by reducing the rates for low-income ratepayers on Employment and Income Assistance, or even indirectly, by reducing their bills through increased energy efficiency.<sup>iii</sup>

Winnipeg Harvest points out and urges the Board to take action on the unintended negative effect this legal provision has on the program to increase energy efficiency and reduce power costs through conservation.

### Reduced food harvesting

Flooding, dams and other disruptions of the environment have negatively affected fishing, hunting and the gathering of natural foods and medicines, mainly by indigenous peoples, for generations.

While Manitoba Hydro has reduced its flooding plans over the years, a member of our Board, Lyna Hart, asked the members of this Board to reflect on the continuing costs of past actions.



Ms. Hart is the Home and Community Care Coordinator for the Southeast Resource Development Council Corp. In her continuing work to reduce the toll taken by diabetes on indigenous peoples, Ms. Hart is encouraging people to plant gardens and eat vegetables. But fluctuating water levels have so polluted the Churchill River, she says: “I wouldn’t use water from the Churchill River to water a garden.”

Winnipeg Harvest urges the Public Utilities Board to take into account the effect of Manitoba Hydro’s plans on people’s ability to provide their own food in the rural and northern Manitoba context.

Thank you again for this opportunity to present Winnipeg Harvest’s view on food and income issues arising from Manitoba Hydro’s proposals.

I welcome any questions or discussion you may have.

---

<sup>i</sup> Manitoba, C.C.S.M. c. H190 The Manitoba Hydro Act, Section 39 (2.1), <http://web2.gov.mb.ca/laws/statutes/ccsm/h190e.php>

<sup>ii</sup> Carter, T. *Energy Programs and Poverty Alleviation: A Discussion Paper*, prepared for The Consumers Association of Canada (Manitoba Branch) and The Manitoba Society of Seniors. 2010. 64 pp.

<sup>iii</sup> Manitoba, Family Services and Consumer Affairs, Circular: EIA 2011-09, *Lower Income Energy Efficiency Program*. Hard copy attached.