



*Immediate Release*

## **Poverty and Consumer Advocates Applaud PUB Decision to Deny 3.5% Electricity Rate Increase**

### ***PUB Recommends Government Bill Affordability Programs to Assist Low-Income Families***

Effective, June 1, 2019, electricity rates in Manitoba will increase 2.5%. Yesterday, the [Public Utilities Board of Manitoba \(PUB\)](#) denied Manitoba Hydro's initial rate request of 3.5% and instead, approved the lower increase for Manitoba Hydro electricity rates for 2019-20. Manitoba Hydro originally forecast a 7.9% increase every year until 2023-24, stating the hike was necessary to address its debt.

The PUB cited concern about rate affordability for Manitoba consumers and continues to recommend the Province of Manitoba assume responsibility for the development of bill affordability programs to assist lower-income families. This is aligned with the Consumers Coalition (Winnipeg Harvest and CAC Manitoba) recommendation that government is best placed to address energy poverty.

For individuals and families living at or below the poverty line, the approved rate increase will result in their monthly electricity bill increasing from \$178.95 to \$183.42 (based on a residential customer with electric space heat using 2,000 kilowatt-hours per month). While an increase of \$4.47 may not seem like much, for a lower-income customer it can be a considerable financial hardship.

Keren Taylor-Hughes, CEO of [Winnipeg Harvest](#) emphasized "Any rate hike will greatly impact those living below the poverty line. To put this in perspective, a client at Winnipeg Harvest who has a monthly budget of \$750, would have to scrape together an extra \$40 to \$50 a month and for a single mother, the reality is having to decide between food for her family or keeping the lights and heating on."

Hydro bills have soared at more than double the rate of inflation since 2008. Manitobans have seen a 40% increase on their hydro bills while in the same period, inflation has been 18%. These increases have occurred largely to pay for hydro development projects.

Byron Williams, Director of [Public Interest Law Centre](#) commented, "Over the past 5 years, Manitoba Hydro has received rate increases averaging 4% a year. The PUB's decision to grant 2.5% knocks Manitoba Hydro off that double the rate of inflation path. This is an important precedent for hard-pressed Manitoba families. The Consumers Coalition's voice was critical to that decision."

The Manitoba branch of the Consumers' Association of Canada (CAC Manitoba) joined Winnipeg Harvest as interveners before the Public Utilities Board of Manitoba. They pointed out that it is increasingly common for consumers to struggle to pay the rising cost of electricity, often with severe consequences.

Gloria Desorcy, Executive Director, [Consumers' Association of Canada \(Manitoba\)](#) remarked, "The PUB has sent a clear message to Manitoba Hydro with this decision. The Corporation is being told to look to its own expenditures before going to Manitobans for higher rates. However, it is important to remember that Manitobans are still facing yet another above-inflation rate increase on the cost of a product that is essential for daily life."

The PUB is concerned about rate stability and predictability when new major capital projects come in-service. All revenue from the rate increase will go into a deferral account to aid in mitigating future rate increases.

The First Nations On-Reserve Residential customer class and Diesel Zone Residential customer class will not receive a rate increase.

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