



Manitoba Keewatinowi Okimakanak Inc.

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Office of Grand Chief Garrison Settee

October 27, 2020

Honourable Brian Pallister, Premier of Manitoba
Room 204, Legislative Building
450 Broadway
Winnipeg, MB R3C 0V8

Re: Manitoba Hydro Rate Increase in the 2020 “Budget Bill”

Dear Premier Pallister,

As Grand Chief of Manitoba Keewatinowi Okimakanak (MKO) Inc., I am writing to express my concerns and disappointment about the 2.9 per cent Manitoba Hydro rate increase (the “Rate Increase”) your government has embedded in sections 233-236 of the government’s omnibus Bill 2, *The Budget Implementation and Tax Statutes Amendment Act, 2020*.

In summary, I am concerned that:

- by imposing the Rate Increase through the so-called “Budget Bill,” the government is ignoring the needs and effectively silencing the voices of vulnerable ratepayers living with energy poverty;
- the Rate Increase is not subject to regulatory review and will result in significant rate shock to residential ratepayers living on-reserve who have just had a 6.5 per cent rate increase imposed upon them on September 1, 2020;
- the timing of the Rate Increase could not be worse given the continuing pandemic, and given that winter is coming with increased demands for home heating; and
- imposing the Rate Increase through the “Budget Bill” will set a precedent for political interference in Manitoba Hydro for this government and other provincial governments in the future.

Your government should abandon the Rate Increase.

I am disappointed that the Rate Increase was embedded in an omnibus “Budget Bill” introduced by the government when focus necessarily continues to be on the COVID-19 pandemic. I am further disappointed at the government’s contravention of existing legislation, including specifically section 25(1) of *The Crown Corporations Governance and Accountability Act*, which states that:

Despite any other Act or law, rates for services provided by Manitoba Hydro and the Manitoba Public Insurance Corporation shall be reviewed by The Public Utilities Board under *The Public Utilities Board Act* and no change in rates for services shall be made and no new rates for services shall be introduced without the approval of The Public Utilities Board.

I am disappointed that the government’s implied message is that existing laws do not apply to the government. I am even further disappointed at the government’s circumvention of the Public Utilities Board (the “PUB”) and the established fair and transparent PUB regulatory process, which relies on the expertise of the PUB for determining whether a rate increase is just and reasonable and in the public interest. There has not been a government-mandated Manitoba Hydro rate increase without a PUB review since Crown Corporation governance legislation was introduced in 1988.

Additionally, it has not been publicized whether Manitoba Hydro has requested this rate increase, but Manitoba Hydro has not filed a rate application with the PUB. Manitoba Hydro rates are implemented on a cost-of-service basis, yet the Rate Increase is being imposed just after Manitoba Hydro has released its most recent annual report, which stated that the corporation had \$99 million in surplus revenue. The government has not informed Manitobans why, or even if, the Rate Increase is necessary.

In addition, for years the PUB has called upon the Manitoba government to create and implement a bill affordability program to address energy poverty for ratepayers living both on- and off-reserve. Now, instead of designing a bill affordability program, this government is stripping legislation that protects ratepayers, including those living with energy poverty, and is imposing the Rate Increase through a so-called “Budget Bill.”

In the Throne Speech on October 7, 2020, this government said, “As Canadians, we are rightly proud of our democratic institutions and processes, built upon a foundational respect for the rule of law.” However, imposing the Rate Increase through a “Budget Bill” contrary to existing legislation is a shameful authoritarian and anti-democratic maneuver that ignores the needs of the most vulnerable consumers in Manitoba.

I have previously expressed to you my disappointment with the previous Bill 44, now the virtually identical Bill 35, *The Public Utilities Ratepayer Protection and Regulatory Reform Act (Various Acts Amended)*. I have already expressed to you my concerns that, if passed, Bill 35 would eliminate from the regulatory and rate-setting context discussions about energy poverty and the special circumstances of people living on-reserve. Yet, by imposing the Rate Increase through the so-called “Budget Bill,” this government has demonstrated that it has no intention to address energy poverty through other means at all. This is unacceptable.

First Nations citizens disproportionately bear the brunt of Manitoba Hydro rates yet live with hydro dams in their back yards and constant reminders of Manitoba Hydro’s negative impacts. It is well recognized that the relationship between Manitoba Hydro and Indigenous peoples in this land now called Manitoba is fraught with difficulties and mistrust.

Burying the Rate Increase in a “Budget Bill” and effectively raising the hydro bills of ratepayers living on-reserve by \$25 in three short months, during a pandemic, does not further reconciliation, but will instead increase energy poverty and disparities between First Nation citizens living on-reserve and people living off-reserve.

The voices of people living with energy poverty is integral to the discussion about addressing energy poverty. The Rate Increase silences those voices and ignores the discussion.

I urge you to abandon the Rate Increase.

If you have any questions, please contact my assistant Clyde Flett at 204-390-2702 or by email clyde.flett@mkonorth.com.

Sincerely,



Grand Chief Garrison Settee
Manitoba Keewatinowi Okimakanak Inc.

cc. *MKO First Nations*
Grand Chief Arlen Dumas, Assembly of Manitoba Chiefs
Grand Chief Jerry Daniels, Southern Chiefs' Organization
Dakota Ojibway Tribal Council
Interlake Reserves Tribal Council
Island Lake Tribal Council
Keewatin Tribal Council
Southeast Resource Development Council
Swampy Cree Tribal Council
West Region Tribal Council
President David Chartrand, Manitoba Métis Federation
Darren Christle, Board Secretary/ Executive Director, Public Utilities Board
Gloria Desorcy, Executive Director, Consumers' Association of Canada (Manitoba)
Honourable Eileen Clarke, Minister of Indigenous and Northern Relations, Manitoba
Honourable Jeff Wharton, Minister of Crown Services, Manitoba
Honourable Scott Fielding, Minister of Finance, Manitoba
Mr. Wab Kinew, Leader of the Official Opposition
Ms. Nahanni Fontaine, Official Opposition House Leader
Honourable Marc Miller, Minister of Indigenous Services, Canada
Honourable Carolyn Bennett, Minister of Crown-Indigenous Relations, Canada