

Hydro ordered to help poor pay power bills

Plan must be ready to go Oct. 31, but utility seems lukewarm to idea

By: Mary Agnes Welch , [Winnipeg Free Press](#) | 18/06/2009

WINNIPEG — Low-income people who can't pay their gas and electricity bills could get a break from Manitoba Hydro, starting this fall.

The Public Utilities Board, which regulates Hydro, has ordered the company to come up with a plan by the end of July to offer cash subsidies, rebates or rate discounts to people too poor to pay their Hydro bills.

The plan must be in place by Oct. 31 before the cold weather hits, the PUB says. "That would be very good," said Don Miedema, the housing co-ordinator at the Spence Neighbourhood Association. "People are losing their housing because of the run-up of power bills or water bills."

But critics say Manitoba Hydro is lukewarm at best about the idea of a low-income bill-assistance program. Poverty and environmental activists have been asking for one for years, and the PUB first ordered Hydro to create a program last summer. Hydro asked for an extension, the PUB agreed, and earlier this year Hydro reported back with a long list of all the programs it already offers low-income customers.

In regulatory hearings, the company has also questioned whether the PUB has the jurisdiction to order a different set of rates for low-income people. When asked this week what the new program might look like, how much it would cost ratepayers and how much poor people might save, Hydro refused to say. "Manitoba Hydro is currently finalizing the report," Hydro spokesman Glenn Schneider said in an email. "However it is important to note that Manitoba Hydro is currently providing a number of programs which offer bill assistance."

That includes a new Power Smart program that helps low-income people overhaul their homes with new insulation and high-efficiency furnaces, and the [Neighbours Helping Neighbours](#) program, a small crisis fund for people unable to cover their Hydro bills. In a report earlier this year, Hydro said it might just opt to enhance its funding to the [Neighbours Helping Neighbours](#) program that's run by the Salvation Army.

The PUB has been sharply critical of Hydro's menu of low-income programs, saying they are good starts but don't meet the need. The regulator says there are at least 100,000 low-income people living in leaky old homes that waste electricity and gas and who might benefit from better programs that roll out faster, along with direct bill assistance. Hydro says that number is more like 45,000.

Most recently, the PUB said the economic downturn makes a bill-assistance program even more vital. And it noted that Hydro is about to embark on a massive \$18-billion dam-building program over the next 15 years that will push up electricity rates.

The PUB appears to favour a plan proposed by environmentalists that would help out people who spend more than 15 per cent of their income on gas and electricity. Most people spend between three and six per cent of their paycheques on their Hydro bills. The 15 per cent trigger is the one used by several big American utilities, particularly in Ohio. Other places, like Seattle and California, offer from 20 to 60 per cent rate discounts to low-income ratepayers.

Local activists say Hydro could actually save money by helping poor people out with their bills. "It's expensive when people don't pay their bills. You have to go after them, you have to collect, you have to restore power when it's cut off," said Peter Miller, a University of Winnipeg philosophy professor, who works with Resource Conservation Manitoba to scrutinize Hydro. "People are also more willing to settle if they see some hope within their means of dealing with their arrears."