

**MANITOBA HYDRO 2017/18 & 2018/19 GENERAL RATE APPLICATION**  
**MANITOBA HYDRO**  
**INTERVENER EVIDENCE INFORMATION REQUESTS**  
**COALITION (SIMPSON)**  
**NOVEMBER 15, 2017**

**MH/SIMPSON I - 1**

**Reference:**

Section 4.2, Page 11

**Preamble:**

In discussing energy efficiency programs, Dr. Simpson suggests, “Identifying households that are energy poor would allow Manitoba Hydro to target energy efficiency information campaigns directly to this vulnerable group”

**Question:**

Does Dr. Simpson have any suggestions as to how Manitoba Hydro should go about identifying households within its customer base who are energy poor?

**Response:**

Just before this statement, I refer to the Colorado system “where rate assistance and arrearage management programs for low income households are integrated with weatherization assistance programming,” i.e. households who seek temporary rate assistance or who are in arrears on payments would be the target group in the absence of direct information on household incomes (which Hydro does not have).

***The Coalition adds:*** The PUB also may wish to refer to prior evidence in previous proceeding provided by Mr. Philippe Dunsky, both as an expert for the Consumers Coalition and for Manitoba Hydro.

**MH/SIMPSON I - 2**

**Reference:**

Section 6.2, page 14

**MANITOBA HYDRO 2017/18 & 2018/19 GENERAL RATE APPLICATION**  
**MANITOBA HYDRO**  
**INTERVENER EVIDENCE INFORMATION REQUESTS**  
**COALITION (SIMPSON)**  
**NOVEMBER 15, 2017**

**Preamble:**

Dr. Simpson recommends: “Manitoba Hydro develop an efficient rate assistance program that provides assistance to low-income energy poor households but that is not directly tied to the level of energy consumption, along the lines of the fixed credit approaches taken by Colorado and Ontario.”

**Question:**

Should customers receiving direct or indirect assistance for electricity costs through social assistance or other programs be eligible for “an efficient rate assistance program” funded by ratepayers? If yes, please elaborate.

**Response:**

Overlapping programs often present problems, and that would be the case here, since the hydro support for social assistance recipients varies, depending on circumstances (renter vs. owner) and administrative discretion. In the Colorado program, assistance is based on previous consumption expenditure, which would suggest that those who are already receiving assistance would not receive any further assistance. In the Ontario program, however, assistance is based on household-size-adjusted income and not consumption expenditure per se, so that all social assistance recipients would be eligible for rate assistance. My reference to “an efficient rate assistance program” does not take into account potential inefficiencies associated with other social programs.

**MH/SIMPSON I - 3**

**Reference:**

Section 6.2, page 14

**Preamble:**

Dr. Simpson recommends: “Manitoba Hydro develop an efficient rate assistance program that provides assistance to low-income energy poor households but that

**MANITOBA HYDRO 2017/18 & 2018/19 GENERAL RATE APPLICATION**

**MANITOBA HYDRO**

**INTERVENER EVIDENCE INFORMATION REQUESTS**

**COALITION (SIMPSON)**

**NOVEMBER 15, 2017**

is not directly tied to the level of energy consumption, along the lines of the fixed credit approaches taken by Colorado and Ontario.”

**Question:**

In Dr. Simpson’s view, should the “efficient rate assistance program” he is recommending be funded by all ratepayers, a segment of ratepayers, or by government?

**Response:**

I address this issue on p.10 of my report: “The Ontario experience raises the question of how assistance to low-income households or the energy poor should be financed. It is evident in the Manitoba Hydro GRA that it is reluctant to finance any new and possibly expensive affordability program at the expense of other ratepayers or its own revenues and that such programs require new funding. The Ontario experience suggests that ratepayer concerns might be eased if the program were financed from government revenues. In this regard, the report (p.40) echoes an earlier proposal from the NFAT report (p.252) “that the Government of Manitoba direct a portion of the incremental capital taxes and water rental fees from the development of the Keeyask project to be used to mitigate the impact of rate increases on lower income consumers, northern and aboriginal communities.” Since the affordability program should be designed to ensure energy security for those unable to cope with rising energy costs, however, funding from all taxpayers rather than simply higher income ratepayers or dedicated fees seems most appropriate, much as other income security programs such as Manitoba’s Employment and Income Assistance are financed from general revenues. Moreover, funding from our progressive system of general taxation would ensure that higher income households provide the most support for energy poor households.”

**MANITOBA HYDRO 2017/18 & 2018/19 GENERAL RATE APPLICATION**  
**MANITOBA HYDRO**  
**INTERVENER EVIDENCE INFORMATION REQUESTS**  
**COALITION (SIMPSON)**  
**NOVEMBER 15, 2017**

**MH/SIMPSON I - 4**

**Reference:**

Appendix B – Statement of Qualifications and Duties – Dr. Wayne Simpson

**Question:**

- a) Please provide a copy of your retainer letter. Please also provide any instructions you received with respect to your retainer.
- b) Please advise whether issues regarding your evidence were identified by yourself and/or Consumers Coalition.
- c) Did anyone other than Dr. Simpson contribute to or draft portions of the report. If so please identify those individuals, their qualifications and what portions of the report were prepared by that individual.

**Response:**

- a) I received no instructions beyond the terms stated in the retainer letter. Please see Attachment A for a copy of the retainer letter.

***The Consumers Coalition adds:*** We have provided the letter but deleted the financial terms which are not relevant to the question or to the Board's deliberations.

- b) The scope of the retainer letter was jointly identified by me and the Consumers Coalition. The methodological approach and analysis in the report was developed solely by me.
- c) I am the sole author of this report.