

# **AN OPEN LETTER TO MANITOBA PREMIER BRIAN PALLISTER:**

## **HIT THE PAUSE BUTTON NOW ON BILL 44**

September 22, 2020

Premier of Manitoba, The Honourable Brian Pallister  
[premier@leg.gov.mb.ca](mailto:premier@leg.gov.mb.ca)

Minister of Finance, The Honourable Scott Fielding  
[minfin@leg.gov.mb.ca](mailto:minfin@leg.gov.mb.ca)

Minister of Crown Services, The Honourable Jeff Wharton  
[mincrown@leg.gov.mb.ca](mailto:mincrown@leg.gov.mb.ca)

Dear Premier Pallister, Ministers Fielding and Wharton:

We call on you to hit the pause button and withdraw Bill 44 (*The Public Utilities Ratepayer Protection and Regulatory Reform Act*) from the agenda for the 2020 Fall Legislative Session. We urge you do so before the Bill receives second reading in the Legislature to allow for meaningful input from citizens, farmers and businesses prior to proceeding with this proposed legislation.

We represent a diversity of Manitobans from various sectors including First Nations and Metis, residential and not-for-profit consumers, environmental and poverty reduction groups and academics. Last week, Keystone Agricultural Producers (KAP), with 4,000 Manitoba members representing both crop and livestock producers, also sent a letter to Minister Fielding highlighting concerns with Bill 44 as it is proposed.

As community-minded leaders and organizations, we share a deep concern about the advancement of Bill 44, and the limited public debate during the COVID-19 pandemic.

Collectively, we share the following concerns on behalf of all Manitoba citizens.

- Bill 44 strips the Public Utilities Board (PUB) of the important impartial oversight role it has played in our community for decades, and eliminates the transparent process and citizen input at public hearings.
- Bill 44, as proposed, can lead to the overt politicization of Manitoba Crown monopolies. No matter which political party is in power in Manitoba, allowing Cabinet, through regulations, to control Manitoba Hydro, Efficiency Manitoba, Manitoba Public Insurance (MPI) and payday lending organizations is problematic. Manitobans care about this issue and want to have their say. A survey of 1,049 Manitobans conducted by Probe Research in August 2020 shows that a majority (52%) prefer to give an independent board like the PUB the power to set rates charged by Crown Corporations. Only 8% of Manitobans say the provincial Premier and Cabinet should have this authority (to set Hydro rates and MPI rates.)

- The PUB hearing process is cost-effective and provides good value for taxpayers: Using the most recent three year average, the Hydro hearings, for example, cost a typical residential customer \$2.50 extra on their bill per year. That same customer saved \$50 per year on their Hydro bill annually as a result of the PUB hearing.
- Bill 44 disproportionately impacts vulnerable Manitobans. Consumers living with limited income, those living in rural and remote areas, First Nations and Metis consumers including those living in communities already devastated by hydro-electric projects, those living with disabilities, newcomers to Canada, and seniors experience ongoing challenges and barriers in the marketplace. In a time of crisis regarding jobs, loss of income, health, and wellbeing, as we are currently experiencing, pressures multiply for those consumers already experiencing financial and other marketplace stress.
- Bill 44's introduction is premature and arrives at a time when Manitoba Hydro is also undergoing two major reviews, including an internal assessment of the Corporation's strategic direction and operations, and a review of major capital projects initiated by government through the Economic Review of Bipole III and Keeyask Commission chaired by Mr. Brad Wall. The results of these important reviews have yet to be released, and recommendations arising from these reviews need to be publicly examined before the changes outlined in Bill 44 are entrenched in legislation.

The PUB structure has served Manitobans well since 1913 as an independent, impartial, transparent and evidence-based watchdog, acting in the best interests of all Manitobans. It provides our utilities, including Manitoba Hydro and Manitoba Public Insurance, with the opportunity to detail their operational plans and financial needs in an open and transparent environment. The PUB process is not meant to be adversarial. The hearings are an opportunity for all parties to fully understand each other's interests and needs. The PUB's current authority to regulate these monopolies, with public hearings that include interveners with expertise that are open to the public, allows all parties to understand, test, cooperate and appreciate the needs of both the utility and the consumer. This robust process leads to better decisions on behalf of all Manitobans, while providing a positive environment for transparency and accountability within our Crown Corporations.

Manitobans are currently experiencing health and economic uncertainty, with thousands unemployed and others worried about their job security. COVID has fundamentally changed the business environment for companies that employ thousands of Manitobans. It is against this backdrop that Bill 44 adds yet another layer of uncertainty related to the PUB's mandate for independent regulation of rates charged by monopoly Crown Corporations.

Manitobans can learn important lessons from other Canadian provinces. In British Columbia, the provincial government fully re-regulated BC Hydro, under the British Columbia Utilities Commission, after a period where unregulated actions caused massive rate harm for consumers. In Newfoundland and Labrador, the Board of Commissioners of Public Utilities (their PUB) is examining how to manage the doubling of rates from Muskrat Falls and related government projects that were not examined by their PUB initially.

The organizations and individuals listed below have considerable research, policy and "real world" expertise in their respective sectors. Pausing Bill 44 and removing it from

the Fall 2020 Legislative Session would allow time for deeper discussions and improvements to this important piece of legislation. These organizations are willing and able to support government initiatives to reduce the costs of regulating our monopolies while protecting the basic need for independent review and public input.

All members that have signed on are ready and willing to engage in this work with you to strengthen Manitoba's current public processes and Crown assets for all citizens today, and into the future.

We request a written response to this Open Letter to the Premier. Thank you.

Respectfully,

- Aboriginal Council of Winnipeg
- Jerry Buckland, Professor of International Development Studies,  
Menno Simons College
- Canadian Centre for Policy Alternatives
- Community Financial Counselling Services
- Consumers' Association of Canada (Manitoba)
- Council of Canadians - Winnipeg Chapter
- G.D (Gerry) Forrest, Forkast Consulting, former Chair of the (Manitoba) Public Utilities Board, and former Deputy Minister - Manitoba government
- Graham Lane, former Chair of the (Manitoba) Public Utilities Board - 2004-2012
- Manitoba Eco-Network
- Manitoba Energy Council
- Manitoba Energy Justice Coalition
- Melanie O'Gorman, Associate Professor, Department of Economics,  
University of Winnipeg
- SEED Winnipeg
- Wayne Simpson, Professor, Department of Economics,  
University of Manitoba
- Wa Ni Ska Tan
- Winnipeg Harvest

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