

**Nicole McKenna**

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**Subject:** FW: UE20944 MECL General Rate Application 2019

**From:** Spencer Matheson  
**Sent:** July 29, 2019 11:37 AM  
**To:** [Info@irac.pe.ca](mailto:Info@irac.pe.ca)  
**Subject:** UE20944 MECL General Rate Application 2019

Mr. Clement:

I am a homeowner that falls within the group of residential customers that would be hard-hit by Maritime Electric's proposed rate changes. I understand the need to increase rates in general, as the cost of doing business has continued to increase across most sectors; however, I believe the change to the second block billing approach used currently may contradict or subvert efforts being put forth by homeowners and government to have Islander's move away from heating using fossil fuels.

As I understand it, the proposal is to increase the second block to 5000 kWh for residential customers. This would effectively remove most residential homeowners from ever reaching this block. As an example, my home was built in 1974 (2x4 construction, so R-12 walls at best), has roughly 2000 sqft of finished living space, and is heated solely by electric baseboards. In February of 2019, one of the heaviest heating months of the year, we used 3224 kWh for our heat, lights and appliances. Having the residential second block rate moved to 5000 kWh is simply going to mean no (or at least very few) true residential customers will be accessing that block.

Perhaps an alternative approach would be to decrease the cost of electricity for those residential customers using under 5000 kWh, and increasing the cost once you go over the 5000 kWh limit (ie. adding a disincentive for excessive or very high energy use). Or, perhaps the HST exemption currently provided to home heating oil could be applied to home heating electricity. This would level the playing field between oil and electric heating while allowing Maritime Electric to raise rates to support a move to greener energy sources without placing a burden on Islander's who are trying to reduce their carbon footprint.

As more Islander's move toward heat pumps and non-fossil fuel heating methods, more electricity is going to be used. But, if the electricity rates are allowed to increase in the proposed manner, people may begin to rethink the move from their older oil-fired furnace to a more environmentally friendly means of heating. While I may not be enthused by the prospect of a 4.1% rate increase over 3 years, I can understand the need. However, I do not believe that the current proposal for changes to the second block is a reasonable approach, as it seems to provide a break only to the highest of energy users.

Thank-you for your consideration of my comments.

All the best,  
Spencer Matheson