

Press Release

October 21, 2022

Mahone Bay Electrical Utility Applies for Rate Increase

The Mahone Bay Town Council has directed staff to apply to the Nova Scotia Utility & Review Board for a significant increase in electrical rates for local electrical utility customers for the first time in nearly 15 years.

Rates charged by the Mahone Bay Electrical Utility, which serves Mahone Bay and part of neighboring Maders Cove, have remained comparably low for many years through a combination of tight management of operating costs – including resource-sharing with the Riverport Electric Light Commission – and postponement of investments in the distribution system. In collaboration with the towns of Berwick and Antigonish, Mahone Bay has developed wind resources accounting for over 40% of the community's energy needs, complying with the Provincial Renewable Energy Standard. The Ellershouse Wind Farm – along with the community solar garden currently under construction – help to protect Mahone Bay Electrical Utility customers from increases in market rates for energy.

In the context of serious escalation of fuel prices in world markets the Town has sought the most affordable supply of energy for customers. After evaluating several alternatives, it was determined that the most appropriate basis for rate application to the Board would be the Nova Scotia Power rate for municipal customers, approved by the Board. This represents an estimated 37.2% increase in the price of electricity paid by the Mahone Bay Electrical Utility.

The Mahone Bay Electrical Utility cannot maintain its financial health and provide reliable service without adjusting rates to reflect the new reality of high market energy costs. Local utility customers receive superior service through excellent response times and quicker turn-arounds on electrical inspection requests. The Utility is also making up for postponing investments in the distribution system, budgeting for significant replacement and upgrading of older infrastructure including decommissioning of remaining transformers with PCBs.

With these factors considered, the Mahone Bay Town Council will request that the Board consider a rate increase of 34.8% (6.4% for internal cost increases since 2008 and the remainder due to the recent increase in market energy costs). Council has also directed staff to investigate options to assist rate payers experiencing financial hardship in the coming year as a result of increasing energy prices, and to explore a possible ramp-up of the Town's existing HOME (Heat pump Options Made Easy) program to assist residents in converting away from fossil fuels for home heating.

The transition away from fossil fuels for heating and transportation, combined with our increasingly renewable energy supply, provides a pathway for stable customer rates and increased financial health for the Utility. The future is bright, but these next several years will be difficult as we remain exposed to volatile market prices.

Visit the Town of Mahone Bay website at www.townofmahonebay.ca and watch our YouTube channel for additional information on the rate application and the Board's process to consider the request, as it becomes available.

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