



ORDER NUMBER
G-224-21

IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

Nelson Hydro
Cost of Service Analysis and Rate Design Application

BEFORE:

R. I. Mason, Panel Chair
A. K. Fung, QC, Commissioner

on July 26, 2021

ORDER

WHEREAS:

- A. On November 27, 2020, Nelson Hydro filed a Cost of Service Analysis (COSA) and Rate Design Application (RDA) with the British Columbia Utilities Commission (BCUC) (Application);
- B. Nelson Hydro is owned and operated by the City of Nelson and is exempt from regulation under the *Utilities Commission Act* (UCA) to the extent it is serving customers within its municipal boundaries. Accordingly, the BCUC's review of the Application pertains solely to Nelson Hydro's non-municipal, or rural, ratepayers;
- C. In the Application, Nelson Hydro requests approval of the following:
 - 1. Proposed return on equity for the Rural service area at 9.25% to be used for future rate applications;
 - 2. Nelson Hydro's Policies approved by City Council relating to the non-municipal portion of the utility (i.e. the Allocation Factors Policy, Generation Rates Policy, Debt Policy, and Deferral Account Policy);
 - 3. The COSA; and
 - 4. Proposed rate changes to Rural residential rates effective September 1, 2021 (to be phased-in over a three-year period with follow-up adjustments effective September 1, 2022 and September 1, 2023);
- D. By Order G-346-20 dated December 22, 2020, and later amended by Order G-57-21 dated March 1, 2021, the BCUC established a regulatory timetable that included intervenor registration and one round of BCUC and intervenor information requests (IRs) and Nelson Hydro provided its responses on March 26, 2021 and March 30, 2021;
- E. By Order G-117-21, dated April 21, 2021 and later amended by Order G-178-21 dated June 7, 2021, the BCUC established a further regulatory timetable which included a second round of BCUC and intervenor IRs with further process to be determined;

- F. In response to IR No. 2, Nelson Hydro subsequently proposes to withdraw the approval sought for Nelson Hydro's Policies approved by the City Council relating to the non-municipal portion of the utility; and
- G. The Panel has reviewed Nelson Hydro's responses to IR No. 2 and considers that amending the regulatory timetable to include a third round of IRs and submissions on further process is warranted.

NOW THEREFORE the BCUC establishes an amendment to the regulatory timetable, attached as Appendix A to this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 26th day of July 2021.

BY ORDER

Original signed by:

R.I. Mason
Commissioner

Attachment

Nelson Hydro
Cost of Service Analysis and Rate Design Application

REGULATORY TIMETABLE

Action	Date (2021)
BCUC IR No. 3 to Nelson Hydro	Wednesday, August 11
Intervener IR No. 3 to Nelson Hydro	Monday, August 16
Nelson Hydro responses to BCUC and Intervener IRs No. 3	Monday, August 30
Nelson Hydro submission on further process	Friday, September 3
Intervener submissions on further process	Monday, September 13
Nelson Hydro reply submission on further process	Thursday, September 23
Further process	To be determined