



**ORDER NUMBER  
G-225-21**

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

and

Nelson Hydro  
2021 General Rate Increase Application

**BEFORE:**

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

on July 27, 2021

**ORDER**

**WHEREAS:**

- A. On November 30, 2020, Nelson Hydro filed an application (Application) with the British Columbia Utilities Commission (BCUC) for approval of a general annual rate increase of 2.3 percent for the Rural service area for the 2021 calendar year, pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA). Nelson Hydro proposes the general annual rate increase to become effective on April 1, 2021, which results in a compounded rate increase of 3.32 percent;
- B. Nelson Hydro is owned and operated by the City of Nelson and is excepted from regulation under the *Utilities Commission Act* 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 that the 3.32 percent general rate increase be approved on an interim and refundable basis, effective as of April 1, 2021, pending the outcome of the proceeding;
- D. By Order G-75-21 dated March 15, 2021, the BCUC approved the requested general rate increase of 3.32 percent to become effective on April 1, 2021 on an interim and refundable/recoverable basis;
- E. By Orders G-347-20, G-75-21 and G-125-21 dated December 22, 2020, March 15, 2021 and April 28, 2021 respectively, the BCUC established a regulatory timetable for the review of the Application, which included two rounds of BCUC information requests (IR) and Nelson Hydro's final argument;
- F. The public was invited to participate in the proceeding by submitting a letter of comment or by registering as an interested party. The BCUC received 88 letters of comments from the public and 25 individuals and organizations registered as interested parties; and

- G. The Panel has considered the Application, evidence, and submissions filed in the proceeding and makes the following determinations.

**NOW THEREFORE** pursuant to sections 59 to 61 of the UCA, and for the reasons outlined in the decision issued concurrently with this order, the BCUC orders as follows:

1. Nelson Hydro is approved to increase rates by 3.32 percent for Nelson Hydro's rural customer classes on a permanent basis, effective April 1, 2021.
2. Nelson Hydro is directed to file, within 30 days of the date of this order, the tariff pages reflecting permanent 2021 rates for all Nelson Hydro rural customer classes.
3. Nelson Hydro is directed to escalate its reliability concerns to the senior management of its supplier, FortisBC Inc. (FortisBC), and in the absence of prompt and credible action, to make a formal complaint to the BCUC.
4. Nelson Hydro is directed to file with the BCUC its escalation correspondence with FortisBC's senior management as a compliance filing within 30 days of the date of this order.
5. Nelson Hydro is directed to file with the BCUC within 120 days of the date of this order a five-year vegetation management plan to address how and when the utility will improve service levels through the adoption of improved vegetation management practices and, if necessary, through increased spending levels on vegetation management.
6. Nelson Hydro is directed to file, in its next revenue requirements application (RRA) or in a compliance filing by December 31, 2021 if no RRA is filed by that date, an explanation of how it will achieve the service improvements which are anticipated from the Taghum-Voltage Conversion and the New North Shore Substation projects, and whether or not Nelson Hydro intends to proceed with these projects and if not, what alternatives Nelson Hydro will pursue to achieve service improvements to its rural customers.
7. Nelson Hydro is directed to file with the BCUC a financial analysis of the customer service software upgrade, including the full cost analysis, cost savings to date and expected future cost savings, by June 30, 2022.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 27<sup>th</sup> day of July 2021.

BY ORDER

*Original signed by:*

R. I. Mason  
Commissioner