



ORDER NUMBER
G-73-23

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

and

Nelson Hydro
Application for Reconsideration and Variance of Order G-196-22

BEFORE:

C. M. Brewer, Panel Chair
R.I. Mason, Commissioner
A. Pape-Salmon, Commissioner

on April 3, 2023

ORDER

WHEREAS:

- A. On December 2, 2022, Nelson Hydro filed an application for reconsideration and variance of Decision and Order G-196-22 pursuant to section 99 of the *Utilities Commission Act* (UCA) with the British Columbia Utilities Commission (BCUC) in accordance with Part V of the BCUC's Rules of Practice and Procedure (Reconsideration Application);
- B. By Order G-196-22 and accompanying reasons for decision dated July 19, 2022, the BCUC issued its decision regarding Nelson Hydro's Cost of Service Analysis (COSA) and Rate Design (RD) application. The BCUC ordered, among other things, the following:
 - i. Nelson Hydro to recalculate its COSA with generation assets and costs assigned 100 percent to common assets and costs;
 - ii. Nelson Hydro to recalculate its COSA with power purchase costs assigned 100 percent to common costs; and
 - iii. Nelson Hydro's return on equity is set at a 50-basis point premium above the benchmark as established by Order G-75-13 on a deemed equity component of 50 percent;
- C. Nelson Hydro requests that the BCUC reconsider and vary Order G-196-22 on the grounds that the BCUC made material errors of law and fact in the following respects:
 - i. Nelson Hydro be directed to assign its generation assets and costs 100 percent to its Urban customers in the COSA;
 - ii. Nelson Hydro be directed to assign power purchases 33.5 percent to Urban customers and 66.5 percent to Rural customers; and

- iii. A debt-to-equity ratio reflecting the utility's actual debt-to-equity be used for the estimated rate base of Nelson Hydro's Rural operations and Nelson Hydro be directed to increase its debt in advance of any future COSA filing;
- D. By Order G-392-22 dated December 30, 2022, the BCUC established the regulatory timetable for the review of the Reconsideration Application, which included intervener registration, one round of BCUC and intervener information requests (IRs), and further process to be determined;
- E. By Order G-34-23 dated February 16, 2023, the BCUC granted Nelson Hydro's request for an extension to file IR No. 1 responses. Nelson Hydro provided its IR No. 1 responses on March 16, 2023; and
- F. The Panel has reviewed Nelson Hydro's responses to IR No. 1 and considers that amending the regulatory timetable to seek written submissions from Nelson Hydro and interveners on further process is warranted.

NOW THEREFORE the BCUC amends the regulatory timetable as set out in Appendix A to this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 3rd day of April 2023.

BY ORDER

Original signed by:

C. M. Brewer
Commissioner

Attachment

Nelson Hydro
Application for Reconsideration and Variance of Order G-196-22

REGULATORY TIMETABLE

Action	Date (2023)
Nelson Hydro submission on further process	Wednesday, April 12
Intervener submissions on further process	Thursday, April 20
Nelson Hydro reply submission on further process	Thursday, April 27
Further Process	To be determined