



**ORDER NUMBER
G-133-23**

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

and

Nelson Hydro
Deferral Account to Record PACA Costs

BEFORE:

A. K. Fung, KC, Panel Chair

on June 7, 2023

ORDER

WHEREAS:

- A. On November 27, 2020, Nelson Hydro filed a Cost of Service Analysis (COSA) and Rate Design Application with the British Columbia Utilities Commission (BCUC) requesting approval of the COSA and proposed rate changes to Rural residential rates, among other matters;
- B. Nelson Hydro is owned and operated by the City of Nelson and is excluded 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. By order F-15-23 dated April 24, 2023, the BCUC awarded funding to two interveners for their participation in the Nelson Hydro COSA and Rate Design proceeding for a total of \$85,878.54;
- D. In the reasons for decision that accompanied Order F-15-23, the BCUC encouraged Nelson Hydro to file any applications related to the recovery of the PACA costs from its ratepayers or otherwise, including requests for approvals for the establishment of any deferral accounts to facilitate cost recovery;
- E. On May 23, 2023, Nelson Hydro requests BCUC approval to establish a Participant Assistance/Cost Award (PACA) funding cost deferral account to record the PACA funding costs of \$85,878.54 (PACA Deferral Account);
- F. Nelson Hydro proposes that the PACA Deferral Account will attract interest at Nelson Hydro's weighted cost of debt. Nelson Hydro will seek recovery of the amount recorded in this deferral account as part of its next rate application, including a proposal of recovery mechanism and timelines; and
- G. The BCUC considers that the establishment of the PACA Deferral Account requested by Nelson Hydro is warranted.

NOW THEREFORE pursuant to sections 59-61 of the *Utilities Commission Act*, the BCUC orders as follows:

1. Nelson Hydro is approved to establish the PACA Deferral Account to record PACA funding costs of \$85,878.54.
2. Nelson Hydro is to charge interest on the PACA Deferral Account at Nelson Hydro's weighted average cost of debt.
3. Nelson Hydro is directed to address the following matters in its next rate application filed with the BCUC:
 - a. The recoverability of the PACA Deferral Account balance; and
 - b. Subject to the BCUC's determination on recoverability, the proposed amortization period for the recovery of the PACA Deferral Account balance.

DATED at the City of Vancouver, in the Province of British Columbia, this 7th day of June 2023.

BY ORDER

Original signed by:

A. K. Fung, KC
Commissioner