



ORDER NUMBER
G-321-23

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

and

Nelson Hydro
2024 Revenue Requirements Application

BEFORE:

E.B. Lockhart, Panel Chair
M. Jaccard, Commissioner
W.E. Royle, Commissioner

on November 24, 2023

ORDER

WHEREAS:

- A. On October 31, 2023, Nelson Hydro filed an application with the British Columbia Utilities Commission (BCUC) seeking approval of a general annual rate increase of 6.2 percent for the Rural service area subject to any adjustments identified during the regulatory process, and to any directives or determinations made in BCUC's Generic Cost of Capital (GCOC) Stage 2 proceeding and Nelson Hydro's 2023 Revenue Requirements Application (RRA), effective January 1, 2024, pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA) (Application);
- B. Nelson Hydro is owned and operated by the City of Nelson and is excluded from regulation under the 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 that the 6.2 percent general rate increase for the Rural service area be approved on an interim and refundable basis, effective January 1, 2024, pending the outcome of this proceeding;
- D. Nelson Hydro also requests approval to establish the following deferral accounts:
 - i. Flow-Through Deferral Account to flow through variances between actual and budgeted or forecast amounts for revenues and expenses.
 - ii. Cybersecurity Audit Deferral Account to flow through un-forecasted Cyber Security Framework costs incurred in 2023 as required by BCUC Decision and Order G-126-23.
 - iii. Participant Assistance/Cost Award (PACA) Deferral Account to capture PACA funding required for interveners in relation to Order F-15-23.

- iv. Provincial Cost of Living Credit Deferral Account to capture the residual balance in the BC Cost of Living Credit account.
- E. As directed in Decision and Order G-196-22, Nelson Hydro's proposed percentage rate increase is based on the utility's 2024 budget figures used in the modified Cost of Service Analysis (COSA);
- F. Nelson Hydro states that the outcome of the 2023 RRA, for which the BCUC decision is pending, could significantly impact the 2024 revenue requirement, resultant rate change, and approvals sought in this Application; and
- G. The BCUC has commenced its review of the Application and determines that approval of rates on an interim basis and the establishment of a regulatory timetable are warranted.

NOW THEREFORE the BCUC orders as follows:

- 1. Nelson Hydro's requested rate increase of 6.2 percent that applies to all Rural customer classes is approved on an interim, refundable and recoverable basis, effective January 1, 2024, pursuant to sections 59 to 61 and 89 of the UCA.
- 2. A regulatory timetable for the review of the Application is established as set out in Appendix A to this order.
- 3. Nelson Hydro must provide a copy of the Application and this order on or before Monday, December 11, 2023, electronically where possible, to the registered interveners in the following proceedings:
 - i. Nelson Hydro 2023 Revenue Requirements Application; and
 - ii. Nelson Hydro COSA and Rate Design Application
- 4. Nelson Hydro must provide notice of the Application and this order on the appropriate social media platforms and on its website on or before Monday, December 11, 2023.
- 5. Nelson Hydro must post a copy of the Public Notice attached as Appendix B to this order on the appropriate social media platforms and on its website on or before Monday, December 11, 2023.
- 6. Nelson Hydro is directed to provide confirmation of compliance with Directives 3, 4 and 5 by Monday, December 18, 2023, including a list of the social media platforms on which the Public Notice was posted, as well as a list of all parties notified pursuant to Directive 3.
- 7. Nelson Hydro is directed to file an Evidentiary Update for the Application, if any, by Monday, January 15, 2024, following the BCUC's decision on the 2023 RRA.
- 8. In accordance with BCUC's Rules of Practice and Procedure, any party wishing to provide comments is invited to submit a Letter of Comment by the date established in the regulatory timetable. Letters of comment must be in the Letter of Comment Form available on the BCUC's website at <https://www.bcuc.com/Forms/LetterOfComment>

DATED at the City of Vancouver, in the Province of British Columbia, this 24th day of November 2023.

BY ORDER

Original signed by:

E.B. Lockhart
Commissioner

Nelson Hydro
2024 Revenue Requirements Application

REGULATORY TIMETABLE

Action		Date (2023)
Nelson Hydro Public Notice of Application		Monday, December 11
Nelson Hydro to provide confirmation to the BCUC re: Public Notice		Monday, December 18
Action		Date (2024)
Nelson Hydro to file Evidentiary Update, if any		Monday, January 15
BCUC Information Request (IR) No. 1		Monday, January 29
Nelson Hydro responses to BCUC IR No. 1		Thursday, February 22
Letters of comment on Nelson Hydro's Application to the BCUC		Thursday, February 29
Nelson Hydro final argument and reply comments, if applicable		Thursday, March 21



We want to hear from you

NELSON HYDRO 2024 RATES APPLICATION

On October 31, 2023, Nelson Hydro filed a revenue requirements (rates) application requesting approval of a general rate increase of 6.2 percent for its electricity rates in its rural service area, effective January 1, 2024 (Application). The BCUC has started a review of the Application.

The BCUC only has jurisdiction to review the Application in relation to Nelson Hydro's non-municipal, or rural, service area.

GET INVOLVED

- **Subscribe to email notifications for the proceeding**
- **Submit a Letter of Comment**

IMPORTANT DATES

1. **Thursday, February 29, 2024** – Deadline to submit a Letter of Comment to the BCUC to share your views, opinions, and insights on the Application.

For more information about the Application, please visit the [Proceeding Webpage](#) on bcuc.com under "Our Work – Proceedings". [Subscribe to this Proceeding](#) on bcuc.com under "Get Involved" to receive email notifications when public documents are added to the proceeding, or contact us at the information below.

CONTACT INFORMATION

Nelson Hydro

 Suite 101, 310 Ward Street
Nelson, BC Canada V1L 5S4

 E: dco@nelson.ca

 P: 250.352.8254

British Columbia Utilities Commission

 Suite 410, 900 Howe Street
Vancouver, BC Canada V6Z 2N3

 E: Commission.Secretary@bcuc.com

 P: 604.660.4700