



**LETTER L-69-12**

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Log No. 41950

**VIA EMAIL**

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December 6, 2012

Ms Joanne Caldecott  
Legislative Assistant  
City of Nelson  
Suite 101 – 310 Ward Street  
Nelson BC V1L 5S4

Dear Ms Caldecott:

Re: City of Nelson/Nelson Hydro  
Application for Approval of Bylaw No. 3196, 2012  
and Request for Filing of Bylaw No. 3240

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On September 19, 2012, the City of Nelson (the City) applied to the British Columbia Utilities Commission (the Commission) for approval of the Nelson Hydro Services Bylaw No. 3196, which will repeal Bylaw No. 2020 and all amending Bylaws (the Application). The Application notes the following:

*One change in the new Bylaw 3196 is that the City of Nelson transferred the schedule of Hydro Services fees into its current Fees and Charges Bylaw No. 3240.*

The Application did not include a request for approval of any Nelson Hydro fees and charges included in Bylaw No. 3240.

In accordance with Section 1 of the *Utilities Commission Act* (the Act), the definition of a “public utility” does not include “a municipality or regional district in respect of services provided by the municipality or regional district within its own boundaries.” Nelson Hydro is a municipal utility that provides electrical services to customers both inside and outside of the City’s boundaries. The electricity rates applicable to customers outside of the City’s boundaries are subject to Commission approval.

On December 3, 2012, Commission staff filed Information Requests (IRs) to the City regarding the Application. The IR response from the City confirmed the following:

- Bylaw No. 3240 was enacted by the City on October 9, 2012;
- Schedule G of Bylaw No. 3240 includes new connection fees and other charges applicable to customers outside of the City’s boundaries that have not been approved by the Commission; and
- Schedule G of Bylaw No. 3240 includes increases to connection fees and other charges that are currently included in Bylaw No. 2020 and applicable to customers outside of the City’s boundaries. The increases have not been approved by the Commission.

In accordance with section 63(3) of the Act, the connection fees and other charges in Schedule G of Bylaw No. 3240 may not be charged to Nelson Hydro customers outside of the City's boundaries until they are approved by the Commission.

In order for the City to apply the connection fees and other charges in Schedule G of Bylaw No. 3240 to customers outside of the City's boundaries, the City is required to file an application for approval of such connection fees and other charges with the Commission.

The Commission requests that the City include the following information in any application for approval of the connection fees and other charges in Schedule G of Bylaw No. 3240:

- A description of the public consultation process that has taken place to date regarding Schedule G of Bylaw No. 3240, specifically with customers outside of the City's boundaries; and
- The City's proposed public consultation process moving forward regarding any application by the City for Commission approval of Schedule G of Bylaw No. 3240, specifically with customers outside of the City's boundaries.

Yours truly,

Erica Hamilton

LR/cms

cc: Mr. Alex Love ([alove@nelson.ca](mailto:alove@nelson.ca))  
City of Nelson  
Frances Long ([flong@nelson.ca](mailto:flong@nelson.ca))  
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