



**ORDER NUMBER
G-342-21**

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

and

Nelson Hydro
2022 Revenue Requirement Application

BEFORE:

T. A. Loski, Panel Chair
A. C. Dennier, Commissioner
A. Pape-Salmon, Commissioner

on November 23, 2021

ORDER

WHEREAS:

- A. On November 1, 2021, Nelson Hydro filed an application with the British Columbia Utilities Commission (BCUC) for approval of a general annual rate increase of 2.5 percent for the Rural service area (Application), effective on January 1, 2022, pursuant to sections 59 to 61 of the *Utilities Commission Act* (UCA);
- 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 submits that the proposed percentage rate increase is based on forecast costs for the utility as a whole and that no rate differential between the Urban and Rural service areas is being sought as part of this Application;
- D. In Order G-340-21 dated November 19, 2021, the BCUC established a regulatory timetable that included one round of BCUC information requests with further process to be determined;
- E. In the Application, Nelson Hydro requests that the 2.5 percent general rate increase be approved on an interim and refundable basis, effective as of January 1, 2022, pending the outcome of the proceeding;
- F. On November 18, 2021, Nelson Hydro provided a letter confirming that City Council passed a resolution approving the 2.5 percent rate increase for both the Urban service area and the Rural service area (as applied for in the Application); and
- G. The Panel considers that approval of the requested interim rate is warranted on a refundable and recoverable basis, effective January 1, 2022.

NOW THEREFORE pursuant to Section 90 of the UCA, the BCUC orders as follows:

1. Nelson Hydro's requested rate increase of 2.5 percent that applies to all Rural customer classes is approved on an interim, refundable, and recoverable basis, effective January 1, 2022.
2. Nelson Hydro is directed to provide the BCUC with final certified copies of the amended interim rate schedules within 10 business days of enactment by the City of Nelson's municipal council.
3. The BCUC will determine the manner by which any variance between the approved interim rates and permanent rates, including interest if any, will be refunded to or collected from Rural ratepayers at the time the BCUC renders its final decision on the Application.

DATED at the City of Vancouver, in the Province of British Columbia, this 23rd day of November 2021.

BY ORDER

Original signed by:

T. A. Loski
Commissioner