

May 12. Request for Information 2

Intervenor: Ramona Faust

Regional District of Central Kootenay Area E

1. I would be interested in the answer to this question from BCUC. Can Nelson Hydro answer this question?

Reference: TRANSFERS TO CITY GENERAL Exhibit B-2, Question 10.1 Dividend payment to the City of Nelson

5.3 Please explain how the dividend payment benefits Nelson Hydro's non-municipal customers and why Nelson Hydro considers it appropriate to recover this dividend payment from non-municipal customers.

2. Can Nelson Hydro answer this question?

Reference: TRANSFER TO CAPITAL RESERVE Exhibit B-2, Questions 7.1, 11.1 Depreciation expense

10.7 Please explain what Nelson Hydro and/or the City of Nelson is doing with the funds collected in the capital reserve annually and whether or not the use of these funds is benefiting both municipal and non-municipal ratepayers.

Reference: RATE STRUCTURE Exhibit B-2, Questions 4.1, 5.1 Cost of service analysis Can Nelson Hydro please answer if the COSA is being conducted by an independent third party? Can Nelson Hydro explain why the Utility has a foregone conclusion as expressed on Page 2 of the response to BCUC *"In short, with respect to the rural rates under the BCUC's jurisdiction, Nelson has no reason to expect that a fully detailed utility Revenue Requirement and Cost of Service analysis would yield any suggestion that the level of rates is unreasonable, and if anything the tendency is likely that rural rates are lower than would be normally deemed fair"*

3. What are the rural costs that Nelson Hydro believes exceed those of maintaining and upgrading municipal infrastructure?

13.1 Please provide more details on the COSA, including what is being included in this analysis and if, as part of this analysis, Nelson Hydro will be analyzing the rate design for its various customer classes, including municipal and non-municipal customers.

13.2 Does Nelson Hydro intend to file a rate design application with the Commission? If yes, please discuss when this application may be filed. If no, please explain why not.

13.3 What potential outcomes does Nelson Hydro anticipate from the COSA? Please

4. Solar Garden.

As there was a limited number of solar panels available it is not accurate to infer every customer could have benefited from the project. Is it possible to get a full accounting of the costs of installation and future costs for site securement and component replacement?

5. Bioenergy Project

The Bioenergy Project is listed in the capital plan for the Utility.

Please explain where costs and profits will be allocated within the overall budget for the Utility. Will rural residents pay for construction and maintenance? If so will they benefit from any sales of energy?

If the project is run from inside the utility what measures will be taken to isolate risk from the utility?

6. Are Nelson Hydro's Financial Statements from 2009 until present posted on the website?

If not is it possible to receive hard copies?