

**Sent:** February 17, 2021 12:34 PM

**Subject:** Letter of Comment - Nelson Hydro COSA and RDA - Andrew Howroyd

**Attachments:** NelsonHydro.pdf

**Date Submitted:** February 17, 2021

**Proceeding name:** Nelson Hydro COSA and RDA

**Are you currently registered as an intervener or interested party:** No

**Name:** Andrew Howroyd

**City:** Nelson

**Province:** British Columbia

**Email:** [REDACTED]

**Phone number:** [REDACTED]

**Comment:**  
Customer, that will be adversely affected by this proposal.

**Has Attachment:**  
True

February 17, 2020.

As a rural customer of Nelson Hydro I am strongly opposed to Nelson's Hydro's 'Cost of Service' proposed rate increase. In conjunction with the general rate increase they are proposing to increase rates by **24.84%**. The fact that they propose to split the rate increase over several years, the long term net effect is a 25%+ increase.

Let's be clear, that by 'rural customer', Nelson Hydro means those that are not in the cities taxation area. Really, this is about city politics and long held beliefs by those in the city, that those living outside are getting a free ride. This is written throughout the proposal – I could hardly write it clearer myself. The clear intent is that Nelson Hydro exists to serve it's city customers and those in rural areas are simply a for profit venture.

Probably the most outrageous assertion is that city customers should get cheaper generated electricity, while rural customers get any excess and then pay for the higher rate for electricity purchased from Fortis. [See end of pg. 55]. The twisted logic for this is based on decisions made 50-100 years ago. This quite ridiculous reasoning is built into their cost analysis, so it all flawed. Let's be clear, the power is generated miles from the city in a rural area, but that isn't the point.

Another: “The City of Nelson owns the Generation Assets and they Must be Used to Benefit its Residents” (page 54). This is exactly the kind of statement one expects from a monopoly.

I would caution against paying any heed to the results of the surveys included. (Appendix 5-4). I have never been surveyed or participated in any survey. (Perhaps I am just not paying enough attention). I would be very surprised if many rural residents felt it was ok to charge those living in rural areas 25% more than those in the city so that the city could make a “return on investment”. By 'return on investment', Nelson city just means profit based on some notional value of the infrastructure in rural areas – most of which was probably paid for by rural customers long ago and isn't therefore any actual debt (that must be serviced with interest charges). According to their own information, Nelson Hydro is already making a sizable profit – the logic in the way they attribute expenses to rural residents is flawed and based on vitriol and local politics rather than common sense (anyone can write a report that supports the case they want to make).

This entire application is a shameless day in the city of Nelson's history. Nelson Hydro is not here to serve all its customers, but rather to propagate city politics and regional disparity. What if the province of BC suddenly decided that those living in the interior of BC should pay higher taxes because of the higher cost of providing health care and education compared within Vancouver/Victoria?

Finally on pg 69 section 9.5, Nelson hydro threatens that if they don't get their way they will “divest”. Excellent, I am of the opinion this would be a far preferable way forward and I welcome the prospect of becoming a Fortis BC customer. I hope Nelson Hydro, will seriously consider transferring its rural assets to another party.

I strongly urge the BCUC to reject this application. What really needs to happen is for Nelson Hydro to separate itself from Nelson City so that it can function independently of the city and can represent the best interests of ALL its customers.

Andrew Howroyd