

Thunderbird

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BCUC
900 Howe St., Vancouver

from Gordon Weese
- address below
Feb. 17, 2021

Dear Madam or Sir:

Recently the BCUC solicited comments in regard to Nelson Hydro's 2 applications for rate increases. Nelson Hydro sent out an information circular as well.

The thrust of Nelson Hydro's(NH) circular was that because we live in outlying areas, it costs more to service us with power. Unfortunately, the information from NH is either inadvertently or intentionally misleading. NH shows that "current rates do not recover the full costs of serving the rural costumers by approximately \$ 1.5 million per year." That result is only achieved by applying a disproportionate amount of the more expensive purchased power from Fortis to rural residential customers. The power that NH that receives from its Bonnington plant is much cheaper than the power purchased from Fortis. If the power costs from both sources were allocated to rural customers in the amount we actually consumed, NH would be recovering 97% of its costs. That is well within the accepted rate of return of between 95-110% of cost accepted as standard for power utilities.

NH is asking for increases of 5.72% per year on Sept. 1st in 2021, 2022 and 2023, that will apply **only** to rural residential customers. In addition, the circular mentions a 2.5% increase for all residential customers for 2021, but neglects to mentions that the same 2.5% will be sought in 2022 and 2023. The compounded result of all those increases will be a **28%** increase in power bills for rural residential customers by 2023.

In slanting the playing field by attempting to allocate far too much of the expensive power to rural costumers, NH is unfairly discriminating against their rural customers who work, shop and play in the City of Nelson. Rural residents already contribute to the well being and economic advantage of the citizens of the City of Nelson.

Sincerely, Gordon Weese
(The above summary is an edited version of an email from David Okros.)

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[Redacted signature]

Gordon Weese

[Redacted address line]

Nelson, B.C. [Redacted address line]

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