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**Sent:** March 4, 2021 3:49 PM  
**To:** BCUC  
**Subject:** Nelson Hydro 2021 General Rate Increase - Comments  
**Attachments:** NH\_2021\_Rate\_Evaluator\_02.xlsx; BCUC\_Submission\_2021\_General\_Rate\_Increase\_01.pdf

Good day

Please accept my information package and letter of comment to be added to the Nelson Hydro 2021 General Rate Increase Proceeding.

thank you in advance

March 4, 2021

Joe Lojpur  
Nelson, BC

British Columbia Utilities Commission  
Site 4, 900 Howe Street  
Vancouver, BC V6Z 2N3

Dear Commission Secretary

Please find enclosed my letter of complaint and submission of comment with evidence to serious concerns regarding the “Nelson Hydro 2021 General Rate Increase Application”.

I would like to start by filing a complaint against Nelson Hydro for inappropriate rate gouging, I will explain and provide the evidence.

## Evaluating the 2021 NH rate increase

In 2020 NH (Nelson Hydro) billing rate was set at 10.51 cents per Kwh or **\$.1051** per Kwh

### Understanding The 6 billing periods

NH invoices customers using 2 billing groups, each group is made up of 6 overlapping bi-monthly billing periods per year.

For group 1 the meters are read typically mid month for the periods 1 thru 6 shown below.

- |                |                |                |
|----------------|----------------|----------------|
| 1) Dec-Jan-Feb | 2) Feb-Mar-Apr | 3) Apr-May-Jun |
| 4) Jun-Jul-Aug | 5) Aug-Sep-Oct | 6) Oct-Nov-Dec |

For group 2 the meters are read typically mid month for the periods 1 thru 6 shown below.

- |                |                |                |
|----------------|----------------|----------------|
| 1) Nov-Dec-Jan | 2) Jan-Feb-Mar | 3) Mar-Apr-May |
| 4) May-Jun-Jul | 5) Jul-Aug-Sep | 6) Sep-Oct-Nov |

Assuming no change in the status of the account holder, the following conditions must be taken into consideration.

1. NH meter reads are done in 2 groups, mid month, 60 day overlapping period, 6 times per year.
2. The meter read taken within the billing period records the Kwh that will be charged.
3. For every rate hike, to be properly charged, no meter read was ever taken on the last day of March.
4. NH wants to implement the 3.32% rate hike effective April 1st. instead of applying 2.3% on January 1.
5. NH argues the 3.32% is necessary to recover rate hike revenue not charged for in billing period 1&2
6. Problem #1 - in Group 1 the billing period 2 and 3 overlaps, there is no cut-off for March.
7. Problem #2 - in Group 2 the billing period 2 and 3 overlaps, there is no cut-off for March.
8. Without a March cut-off meter read, its impossible to accurately charge consumption for the period.
9. Thus, due to period 2 and 3 overlap, when the 3.32% is applied on April 1, the charge will be inaccurate.
10. However, Mar-Apr segregation may not be an issue so long as the total annual rate hike does not exceed the flat straight line 2.3% if it were applied starting Jan 1, this will be examined below.

## **Evaluating the 2.3% and 3.32% rate hike calculations**

2021 NH new 2.3% rate hike if applied Jan 1; the new rate is calculated at 10.75 cents per Kwh or \$.1075 per Kwh

2.3% or \$.1075/kwh rate hike calculations are shown below.

$\$.1051 \times .023 = \$.00241$  increased amount

$\$.1051 + \$.00241 = \$.10751$ , is the new 2.3% billing rate for 2021

NH wants to charge 3.32% starting on April 1 based on 2 principals:

1. to pick up lost 2.3% revenue hike for billing period 1, 2 and 3 overlap problem
2. minimize the “Rate Shock” for customers due to higher Kwh winter consumption.

3.32% rate hike calculations are shown below.

$\$.1051 \times .0332 = \$.003489$  increased amount

$\$.1051 + \$.003489 = \$.1086$ , is the new 3.32% billing rate for 2021 effective April 1

## **To analyze the cost outcome, using an annual Kwh baseline to compare the results between 2.3% applied on Jan 1 and 3.32% applied on Apr 1**

Please reference the “BCUC\_Rate\_Model\_B” pdf attachment file

Let's assume each billing period consumes 2000kwh, over 6 billing periods the annual total consumption is 12,000 kwh

$2000\text{Kwh} \times 6 \text{ billing periods} = 12000\text{Kwh per year}$

## **Evaluating the ratepayer cost impact and net NH gain if the 2.3% rate hike is applied on Jan 1 2021, “straight line”**

Before the 2.3% rate hike

$\$.1051 \times 12,000\text{Kwh} = \$.1261.20$  cost per year

After the 2.3% rate hike

$\$.1075 \times 12,000\text{kwh} = \$.1290.00$  cost per year

The maximum rate hike, or net gain NH should be collecting is the difference of before and after when applying 2.3%

$\$.1290.00$  (2.3%) -  $\$.1261.20 = \$.28.80$  per year is the maximum allowable based on 12,000kwh, remember this number.

## **Evaluating the 2021 ratepayer cost impact to the actual 6 billing periods when the rate of 3.32% is applied April 1 as NH is proposing to do.**

Billing period 1, 2,000Kwh will be charged at current rate \$.1051 (no rate hike applied)

$\$.1051 \times 2000\text{kwh} = \$.210.20$  cost to consumer for the 1st billing period

Billing period 2 includes the overlapped months, remember this is the consolidated Kwh that can not be separated.

For the next 5 billing periods the 3.32% rate or \$.1086/kwh, is applied to the remaining 10,000 kwh of the 12,000Kwh.

$\$.1086 \times 10,000\text{kwh} = \$.1086.00$  – cost to consumer for the Mar to Dec periods or 5 billing periods

The annual total is the sum of the 1<sup>st</sup> billing period plus the remaining 5 billing periods.

**\$210.20+\$1086.00=\$1296.20**

**Comparing the 2.3% gain to the 3.32% gain.... According to the NH application they should equal**

**\$1296.20-\$1261.20=\$35.00**

\$35.00-**\$28.80**=\$6.20, or 17.7% more than the annual **\$28.80** or 2.3% rake hike allows if it were applied straight line on Jan 1, here is the computational problem using NH compounded rate of 3.32% ... rate pickpocketing. Considering the number of people on fixed income, the \$6.20 is significant, to NH when applied to 10,000 customers it is nothing short of a stealth tax and City of Nelson bonus bonanza.

Conclusion, in the example illustrated above, from the “NH Rate Increase - Information for Rural Customers” January 27<sup>th</sup> mailer from page 2, I applied the 1000 Kwh per month example. The compounded 3.32% rate hike when applied April 1 using NH arguments to recover the Jan – Mar periods of no increase and to minimize “Rate Shock” is deceptively misleading and to the latter meanspirited because it turns out NH will be collecting 17.7% over and above 2.3% for any quantity of power consumed. I have also provided calculation results analyzing all 7 data samples NH provided in the page 2 chart from the January 27<sup>th</sup> mailer. **Nelson Hydro should not be allowed to collect one red cent more than its authorized to collect.**

Due to the complexities regarding NH 2 groups of meter reads, 6 billing periods, and the overlap of the Mar-Apr periods, poses an unfair circumstance for ratepayers to understand the calculations. Consider if BCUC grants the authorization to collect 3.32% compounded, the annual net gain for NH when applying a 3.32% April 1, favours NH over ratepayers in additional revenue dollars versus if the 2.3% were applied Jan 1.

I have modeled other scenarios applying heavy consumption during the winter periods, retracting in scale for the billing periods 3&4 and increasing in 5&6 to discover variances in over charges is annually consistent.

Nelson Hydro is arguing for fairness and just rate increase, however if the 3.32% application is approved this condition will be unfair and unjust to the urban and rural ratepayer, by means of authorized petty pickpocketing of the ratepayer further eroding public trust with NH, in turn benefiting NH with tens of thousands in extra revenue it had wrongfully collected. What is more compelling is the revelation that begs the question, what else is further inaccurate in the calculations provided in the NH 2021 General Rate Increase, and more so the flaws embedded within the second NH COSA RDA application?

Based on this critical flaw towards the implementation of compounded numbers has produced a misleading BCUC application. I am therefore asking the BCUC commissioners to not waste anymore taxpayer's money or time in reviewing this application, to immediately condemn and reject both the “Nelson Hydro-2021-General-Rate-Increase-Application” and Nelson Hydro COSA & RDA in their entirety. Furthermore, on behalf of all NH ratepayers the BCUC to order a full recompense covering the past 20 years whenever it is found compounded rate hikes were applied on April 1. This practice of using compounded rates is unfair, unjust, and plain dishonest to be applying on vulnerable ratepayers. I also would like to ask the commission to order all rate hikes to be effective on Jan 1, to never allow any compounded rate hikes, to separate inflationary hikes from COSA, for both charges to be shown as separate line items on invoices, and a order NH to produce a simplified invoice where a ratepayer sitting at their own kitchen table using grade 7 math skills, should be able to calculate rates and cost easily instead of using a complex spreadsheet.

Furthermore, many ratepayers are demanding BCUC order Nelson City Council to implement an independent NH Board of Directors made up of stakeholders from all service areas including people with technical, accounting, and legal backgrounds to restore trust in governance over NH.

On other matters of complaint, I would like to report I listen to the radio every day, it is my first source for local news, on Dec 10, 2020 while I driving to work, I heard for the first time the 7pm NH presentation using Zoom. The advertisement mentioned emailing questions, I quickly sent a set of questions to NH as instructed, I received no confirmation my

questions were received prior to the meeting. 2 attendees called me to seek help how to join the zoom meeting that night evening. One connected the other was not able to do so. During the meeting I tried repeatedly to ask Marg who was in attendance if anyone from NH received my questions, no answer. During the meeting myself and Norm Yanke (both urban) were one of 23 people in attendance, 11 city employees the other 10 private citizens. During the meeting, Norm and myself asked most of the questions, many were not answered in public forum because the moderator mentioned they were not relevant. At one point Mr Cormack boasted 0% rate hike in 2020, I responded because BCUC rejected the 2020 2.94% rural rate hike and council was too embarrassed to raise 1.5% urban without rural added. I was extremely disappointed in how I was treated by the moderator/s not taking my questions live. Later I received an email with answers to my questions from the NH hydro manager. I further sent several other emails to the NH manager asking other questions, he did respond in a timely manner.

In section 4.2 the application boasts of new accounting software, there should be absolutely no excuse why compounded rates are needed when a simple flat rate would make matters more transparent to ratepayers, no excuse why rate adjustments can't be shown as line item increase in the following periods, and why rate increase due to Fortis can't be shown separately from COSA as 2 line item charges, yet when I spoke to the Deputy Corporate Office by phone after the Dec 10 meeting he claimed to do what I requested was extra work for city staff is ridiculous.

In the COSA application NH claims the NH Bylaw 3196 is applicable to both urban and rural areas, this is not true. In fact, ask RDCK Directors Faust and Newell if the RDCK Board of Directors have ever voted on a NH Bylaw or created a joint bylaw that supports both areas. The answer is "no" rural area bylaw exists, was voted on and as far as I know bylaws for one city are not applicable onto the adjacent city unless both levels of government engaged a joint approval. Which puts to question many aspects of the NH 3196 policies affecting rural ratepayers. For example, as a landlord in both areas bylaw 3196 for urban states if a tenant defaults on their NH payment, and if unpaid by Dec 31 that debt is added to the urban landlords property taxes to be collected in the same manner as unpaid property taxes, to be authorized to do this the city cites community charter section 258, which to be effective is dependent on a City of Nelson bylaw 3196, however if the property is in the rural area NH has been applying the same unlawful practice to landlords for over 30 years and getting away with it because no one has seriously researched and challenged NH or the City of Nelson.

In a similar situation concerning NH and legal challenge about a security deposit, court case 1976 City of Nelson vs Hilliard the justice decision was based on a well written urban NH bylaw. This precedent establishes boundaries exist and appropriate statutes cannot be left to innuendo interpretation as NH is trying to do when NH claims bylaw 3196 is applicable to both areas. Yet like a casino with a crooked dealer who has rigged dice that always come up with the same number, the city claims its governance through bylaws extends beyond its boundaries while on the other hand the city claims special conditions as directed by the community charter, pose conditions for two tier rate system is ludicrous. I hope the commission will stop matters and carefully explore how a bylaw written in Nelson, passed by Nelson politicians are applicable on another jurisdiction without that areas board of directors having a say.

I have enclosed as evidence, Group 1, 6 billing period invoices, the January 27<sup>th</sup>, 2021 "NH Rate Increase Information for Rural Customers" mailer, the NH Rate Analyser spreadsheet for the Commissions own use and results for readers using the NH consumption data provided on the application.

Thank you.

Nelson Hydro Rate Analyzer for 2021 (Jan 27 NH Memo Page 2 - 500 Kwh per month)

Table A			Table B			Table C			Table D		
2020 Existing Urban & Rural Residential Rate			Urban & Rural Residential 2.3% Applied Jan 1 2021			Urban & Rural Residential Price Applied April 1			NH Invoice Analyzer using 2.3% Straight Line Calculation for Invoicing		
Standard Rate		0.1051 per KWh	2.3% Straight Line Hike		0.1075 per KWh	3.32% Compounded Rate Hike		0.1051 per KWh	2 Months @ 0% - 10 Months @ 2.3%		Jan-Feb 2.3%
Month	Rate	Usageage - KWh	New Total	Increased Portion	Month	Rate	Usageage - KWh	New Total	2021 Increased Portion	Month	Rate
Jan-Feb	\$0.105100	1000	\$105.10		Jan-Feb	\$0.107500	1000	\$107.50	\$2.40	Jan-Feb	\$0.105100
Mar-Apr	\$0.105100	1000	\$105.10		Mar-Apr	\$0.107500	1000	\$107.50	\$2.40	Mar-Apr	\$0.107500
May-Jun	\$0.105100	1000	\$105.10		May-Jun	\$0.107500	1000	\$107.50	\$2.40	May-Jun	\$0.107500
Jul-Aug	\$0.105100	1000	\$105.10		Jul-Aug	\$0.107500	1000	\$107.50	\$2.40	Jul-Aug	\$0.107500
Sep-Oct	\$0.105100	1000	\$105.10		Sep-Oct	\$0.107500	1000	\$107.50	\$2.40	Sep-Oct	\$0.107500
Nov-Dec	\$0.105100	1000	\$105.10		Nov-Dec	\$0.107500	1000	\$107.50	\$2.40	Nov-Dec	\$0.107500
<b>Annual Total</b>	<b>\$0.105100</b>	<b>1000</b>	<b>\$105.10</b>		<b>Annual rate hike total</b>	<b>\$107.50</b>	<b>\$2.40</b>	<b>\$645.00</b>	<b>\$14.40</b>	<b>Annual rate hike total</b>	<b>\$107.50</b>
					<b>Annual rate hike total</b>	<b>6000</b>	<b>\$ 645.00</b>	<b>\$ 14.40</b>		<b>Annual rate hike total</b>	<b>6000</b>

Table A will calculate ratepayers current cost based on 2020 usage, to use the analyzer, collect 6 NH invoices for 2020 . Look for the line item "Billed-Consumption" note the Kwh used, next step - for each period using the yellow cells enter the Kwh used. The analyzer will auto populate the other tables. Under Table C compare the "Annual Rate hike total" highlighted sections to understand what NH is charging.

Table B will show the straight line increased cost if NH were to start charging the standard 2.3% starting January 1, a straight line charge calculation is easy for the ratepayer to understand the full rate increase impact.

Table C will show the consequences of the April 1 NH billing plan. Notice for Jan - Feb period no rate increase, this is what NH is proposing to do, however the first rate increase of 3.32% is applied on April 1, look what happens by comparing the rate increases in the 2 tan boxes in Table B and C, notice under Table C the rate is higher than allowed in Table B, this is due to compounded 3.32% collecting more than has been authorized if NH applied 2.3% on Jan 1.

Delta - Margin 2.3 v 3.32	\$3.10
% of Overcharge	17.71

Table D exposes 3 NH exaggerations, 1)Winter "Rate Shock", to minimize rate shock, 2.3% rate hike (\$4.80) should not be applied on Jan 1, rather NH argues the 3.32% applied on April 1, the "rate Shock" is minimized is absolutely preposterous. 2) In Table C, the 3.32% computational flaw has validated critics claims NH is over charging. 3) There exists 3 options that are fair and just for the ratepayer, apply the 2.3% on Jan 1, then apply one of 3 options 1) Apply the 2.3% effective April 1 2021, ending March 31, 2022, 2) Apply the 2.3% rate increase April 1, then run a one time rate adjustment calculation for the Jan-Feb period using 2.3% rate charging just the rate increase (\$4.80) portion to be paid for in the Mar-Apr period, 3) If for some ratepayers using Table D, the Jan-Feb rate increase is a hardship then divide the Jan-Feb rate increase over the remaining 5 billing periods (\$.96) evenly to spread out the impact.

Nelson Hydro Rate Analyzer for 2021 (Jan 27 NH Memo Page 2 - 750 Kwh per month)

Table A				Table B				Table C				Table D				
2020 Existing Urban & Rural Residential Rate				Urban & Rural Residential 2.3% Applied Jan 1 2021				Urban & Rural Residential Price Applied April 1				NH Invoice Analyzer using 2.3% Straight Line Calculation for Invoicing				
Standard Rate		0.1051 per KWh		2.3% Straight Line Hike		0.1075 per KWh		3.32% Compounded Rate Hike		0.1051 per KWh		2 Months @ 0% - 10 Months @ 2.3%		Jan-Feb 2.3%		
Month	Rate	Usageage - KWh	Total	Month	Rate	Usageage - KWh	New Total	Month	Rate	Usageage - KWh	New Total	Month	Rate	Usageage - KWh	New Total	
Jan-Feb	\$0.105100	1500	\$157.65	Jan-Feb	\$0.107500	1500	\$161.25	Jan-Feb	\$0.105100	1500	\$157.65	Jan-Feb	\$0.105100	1500	\$157.65	
Mar-Apr	\$0.105100	1500	\$157.65	Mar-Apr	\$0.107500	1500	\$161.25	Mar-Apr	\$0.108600	1500	\$162.90	Mar-Apr	\$0.107500	1500	\$161.25	
May-Jun	\$0.105100	1500	\$157.65	May-Jun	\$0.107500	1500	\$161.25	May-Jun	\$0.108600	1500	\$162.90	May-Jun	\$0.107500	1500	\$161.25	
Jul-Aug	\$0.105100	1500	\$157.65	Jul-Aug	\$0.107500	1500	\$161.25	Jul-Aug	\$0.108600	1500	\$162.90	Jul-Aug	\$0.107500	1500	\$161.25	
Sep-Oct	\$0.105100	1500	\$157.65	Sep-Oct	\$0.107500	1500	\$161.25	Sep-Oct	\$0.108600	1500	\$162.90	Sep-Oct	\$0.107500	1500	\$161.25	
Nov-Dec	\$0.105100	1500	\$157.65	Nov-Dec	\$0.107500	1500	\$161.25	Nov-Dec	\$0.108600	1500	\$162.90	Nov-Dec	\$0.107500	1500	\$161.25	
<b>Annual Total</b>	<b>\$0.105100</b>	<b>1500</b>	<b>\$157.65</b>	<b>Annual rate hike total</b>		<b>1500</b>	<b>\$161.25</b>	<b>\$3.60</b>	<b>Annual rate hike total</b>		<b>1500</b>	<b>\$162.90</b>	<b>\$5.25</b>	<b>Annual rate hike total</b>		<b>1500</b>
			<b>9000</b>			<b>\$ 967.50</b>	<b>\$ 21.60</b>				<b>9000</b>	<b>\$ 972.15</b>	<b>\$26.25</b>			<b>9000</b>
				<b>Annual rate hike total</b>				<b>Annual rate hike total</b>				<b>Annual rate hike total</b>			<b>Annual rate hike total</b>	

Table A will calculate ratepayers current cost based on 2020 usage, to use the analyzer, collect 6 NH invoices for 2020 . Look for the line item "Billed-Consumption" note the Kwh used, next step - for each period using the yellow cells enter the Kwh used. The analyzer will auto populate the other tables. Under Table C compare the "Annual Rate hike total" highlighted sections to understand what NH is charging.

Table B will show the straight line increased cost if NH were to start charging the standard 2.3% starting January 1, a straight line charge calculation is easy for the ratepayer to understand the full rate increase impact.

Table C will show the consequences of the April 1 NH billing plan. Notice for Jan - Feb period no rate increase, this is what NH is proposing to do, however the first rate increase of 3.32% is applied on April 1, look what happens by comparing the rate increases in the 2 tan boxes in Table B and C, notice under Table C the rate is higher than allowed in Table B, this is due to compounded 3.32% collecting more than has been authorized if NH applied 2.3% on Jan 1.

Delta - Margin 2.3 v 3.32	\$4.65
% of Overcharge	17.71

Table D exposes 3 NH exaggerations, 1)Winter "Rate Shock", to minimize rate shock, 2.3% rate hike (\$4.80) should not be applied on Jan 1, rather NH argues the 3.32% applied on April 1, the "rate Shock" is minimized is absolutely preposterous. 2) In Table C, the 3.32% computational flaw has validated critics claims NH is over charging. 3) There exists 3 options that are fair and just for the ratepayer, apply the 2.3% on Jan 1, then apply one of 3 options 1) Apply the 2.3% rate effective April 1 2021, ending March 31, 2022, 2) Apply the 2.3% rate increase April 1, then run a one time rate adjustment calculation for the Jan-Feb period using 2.3% rate charging just the rate increase (\$4.80) portion to be paid for in the Mar-Apr period, 3) If for some ratepayers using Table D, the Jan-Feb rate increase is a hardship then divide the Jan-Feb rate increase over the remaining 5 billing periods (\$.96) evenly to spread out the impact.

Nelson Hydro Rate Analyzer for 2021 (Jan 27 NH Memo Page 1 - 935 Kwh per month)

**Table A**

2020 Existing Urban & Rural Residential Rate			
		Standard Rate	0.1051 per KWh
Month	Rate	Usage - KWh	Total
Jan-Feb	\$0.105100	1870	\$196.54
Mar-Apr	\$0.105100	1870	\$196.54
May-Jun	\$0.105100	1870	\$196.54
Jul-Aug	\$0.105100	1870	\$196.54
Sep-Oct	\$0.105100	1870	\$196.54
Nov-Dec	\$0.105100	1870	\$196.54
<b>Annual Total</b>		11220	\$1,179.22

**Table B**

Urban & Rural Residential 2.3% Applied Jan 1 2021				
2.3% Straight Line Hike			0.1075 per KWh	2021 Increased Portion
Month	Rate	Usage - KWh	New Total	
Jan-Feb	\$0.107500	1870	\$201.03	\$4.49
Mar-Apr	\$0.107500	1870	\$201.03	\$4.49
May-Jun	\$0.107500	1870	\$201.03	\$4.49
Jul-Aug	\$0.107500	1870	\$201.03	\$4.49
Sep-Oct	\$0.107500	1870	\$201.03	\$4.49
Nov-Dec	\$0.107500	1870	\$201.03	\$4.49
<b>Annual rate hike total</b>			<b>\$1,206.15</b>	<b>\$26.93</b>
<b>Annual rate hike total</b>			<b>11220</b>	<b>\$1,206.15</b>
				\$ 26.93

Table C

Urban & Rural Residential Price Applied April 1				
Standard Rate		0.1051		
3.32% Compounded Rate Hike		0.1086		
Month	Rate	Usage - KWh		
		New Total		
Jan-Feb	\$0.105100	1870	\$196.54	\$0.00
Mar-Apr	\$0.108600	1870	\$203.08	\$6.54
May-Jun	\$0.108600	1870	\$203.08	\$6.54
Jul-Aug	\$0.108600	1870	\$203.08	\$6.54
Sep-Oct	\$0.108600	1870	\$203.08	\$6.54
Nov-Dec	\$0.108600	1870	\$203.08	\$6.54
<b>Annual rate hike total</b>			<b>\$1,211.95</b>	<b>\$32.73</b>
<b>Annual rate hike total</b>		<b>11220</b>	<b>\$1,211.95</b>	<b>\$32.73</b>

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NH Invoice Analyzer using 2.3% Straight Line Calculation for Invoicing Urban & Rural Residential Hike Effective April 1 & Jan-Feb Adjusted in Mar-Apr period							
Month	Rate	Useage - KWh	New Total	Jan-Feb 2.3%			
				per KWh	2021 Increased Portion	10 Mo Pro-Rated Cost	Adjusted Period Total
Jan-Feb	\$0.105100	1870	\$196.54	\$0.00			\$196.54
Mar-Apr	\$0.107500	1870	\$201.03	\$4.49	\$0.90		\$201.92
May-Jun	\$0.107500	1870	\$201.03	\$4.49	\$0.90		\$201.92
Jul-Aug	\$0.107500	1870	\$201.03	\$4.49	\$0.90		\$201.92
Sep-Oct	\$0.107500	1870	\$201.03	\$4.49	\$0.90		\$201.92
Nov-Dec	\$0.107500	1870	\$201.03	\$4.49	\$0.90		\$201.92
<b>Annual rate hike total</b>			\$1,201.66	\$26.93	\$4.49		\$1,206.15
<b>Annual rate hike total</b>		11220					\$1,206.15

**Table A** will calculate ratepayers current cost based on 2020 usage, to use the analyzer, collect 6 NH invoices for 2020 . Look for the line item "Billed-Consumption" note the Kwh used, next step - for each period using the yellow cells enter the Kwh used. The analyzer will auto populate the other tables. Under **Table C** compare the "Annual Rate hike total" highlighted sections to understand what NH is charging.

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Table D exposes 3 NH exaggerations, 1) Winter "Rate Shock", to minimize rate shock, 2.3% rate hike (\$4.80) should not be applied on Jan 1, rather NH argues the 3.32% applied on April 1, the "rate Shock" is minimized is absolutely preposterous. 2) In Table C, the 3.32% computational flaw has validated critics claims NH is over charging. 3) There exists 3 options that are fair and just for the ratepayer, apply the 2.3% on Jan 1, then apply one of 3 options 1) Apply the 2.3% rate effective April 1 2021, ending March 31, 2022, 2) Apply the 2.3% rate increase April 1, then run a one time rate adjustment calculation for the Jan-Feb period using 2.3% rate charging just the rate increase (\$4.80) portion to be paid for in the Mar-Apr period, 3) If for some ratepayers using Table D, the Jan-Feb rate increase is a hardship then divide the Jan-Feb rate increase over the remaining 5 billing periods (\$9.66) evenly to spread out the impact.

Nelson Hydro Rate Analyzer for 2021 (Jan 27 NH Memo Page 2 - 1000 Kwh per month)

Table A		Table B		Table C		Table D													
2020 Existing Urban & Rural Residential Rate		Urban & Rural Residential 2.3% Applied Jan 1 2021		Urban & Rural Residential Price Applied April 1		NH Invoice Analyzer using 2.3% Straight Line Calculation for Invoicing													
Month	Standard Rate	Usage - KWh	0.1051 per KWh	Month	2.3% Straight Line Hike	0.1075 per KWh	2021 Increased Portion	Month	Standard Rate	0.1051 per KWh	2021 Increased Portion	Month	2 Months @ 0% - 10 Months @ 2.3%	0.1075 per KWh	2021 Increased Portion	Jan-Feb 2.3%	10 Mo Pro-Rated Cost	Adjusted Period Total	
Jan-Feb	\$0.105100	2000	\$210.20	Jan-Feb	\$0.107500	2000	\$215.00 \$4.80	Jan-Feb	\$0.105100	2000	\$210.20 \$0.00	Jan-Feb	\$0.105100	2000	\$210.20 \$0.00	\$4.80			
Mar-Apr	\$0.105100	2000	\$210.20	Mar-Apr	\$0.107500	2000	\$215.00 \$4.80	Mar-Apr	\$0.108600	2000	\$217.20 \$7.00	Mar-Apr	\$0.107500	2000	\$215.00 \$4.80	\$0.96		\$215.96	
May-Jun	\$0.105100	2000	\$210.20	May-Jun	\$0.107500	2000	\$215.00 \$4.80	May-Jun	\$0.108600	2000	\$217.20 \$7.00	May-Jun	\$0.107500	2000	\$215.00 \$4.80	\$0.96		\$215.96	
Jul-Aug	\$0.105100	2000	\$210.20	Jul-Aug	\$0.107500	2000	\$215.00 \$4.80	Jul-Aug	\$0.108600	2000	\$217.20 \$7.00	Jul-Aug	\$0.107500	2000	\$215.00 \$4.80	\$0.96		\$215.96	
Sep-Oct	\$0.105100	2000	\$210.20	Sep-Oct	\$0.107500	2000	\$215.00 \$4.80	Sep-Oct	\$0.108600	2000	\$217.20 \$7.00	Sep-Oct	\$0.107500	2000	\$215.00 \$4.80	\$0.96		\$215.96	
Nov-Dec	\$0.105100	2000	\$210.20	Nov-Dec	\$0.107500	2000	\$215.00 \$4.80	Nov-Dec	\$0.108600	2000	\$217.20 \$7.00	Nov-Dec	\$0.107500	2000	\$215.00 \$4.80	\$0.96		\$215.96	
<b>Annual Total</b>	<b>\$0.105100</b>	<b>2000</b>	<b>\$210.20</b>	<b>Annual rate hike total</b>	<b>\$0.107500</b>	<b>2000</b>	<b>\$215.00 \$4.80</b>	<b>Annual rate hike total</b>	<b>\$0.108600</b>	<b>2000</b>	<b>\$217.20 \$7.00</b>	<b>Annual rate hike total</b>	<b>\$0.107500</b>	<b>2000</b>	<b>\$215.00 \$4.80</b>	<b>\$0.96</b>	<b>\$215.96</b>		
		<b>12000</b>	<b>\$ 1,290.00</b>			<b>\$1,290.00</b>	<b>\$28.80</b>				<b>\$1,296.20</b>	<b>\$35.00</b>			<b>\$1,285.20</b>	<b>\$28.80</b>	<b>\$4.80</b>	<b>\$1,290.00</b>	
				<b>Annual rate hike total</b>	<b>12000</b>	<b>\$ 1,290.00</b>	<b>\$ 28.80</b>			<b>Annual rate hike total</b>	<b>12000</b>	<b>\$ 1,296.20</b>	<b>\$ 35.00</b>						<b>\$1,290.00</b>

Table A will calculate ratepayers current cost based on 2020 usage, to use the analyzer, collect 6 NH invoices for 2020 . Look for the line item "Billed-Consumption" note the Kwh used, next step - for each period using the yellow cells enter the Kwh used. The analyzer will auto populate the other tables. Under Table C compare the "Annual Rate hike total" highlighted sections to understand what NH is charging.

Table B will show the straight line increased cost if NH were to start charging the standard 2.3% starting January 1, a straight line charge calculation is easy for the ratepayer to understand the full rate increase impact.

Delta - Margin 2.3 v 3.32	\$6.20
% of Overcharge	17.71

Table C will show the consequences of the April 1 NH billing plan. Notice for Jan - Feb period no rate increase, this is what NH is proposing to do, however the first rate increase of 3.32% is applied on April 1, look what happens by comparing the rate increases in the 2 tan boxes in Table B and C, notice under Table C the rate is higher than allowed in Table B, this is due to compounded 3.32% collecting more than has been authorized if NH applied 2.3% on Jan 1.

Table D exposes 3 NH exaggerations, 1)Winter "Rate Shock", to minimize rate shock, 2.3% rate hike (\$4.80) should not be applied on Jan 1, rather NH argues the 3.32% applied on April 1, the "rate Shock" is minimized is absolutely preposterous. 2) In Table C, the 3.32% computational flaw has validated critics claims NH is over charging. 3) There exists 3 options that are fair and just for the ratepayer, apply the 2.3% on Jan 1, then apply one of 3 options 1) Apply the 2.3% effective April 1 2021, ending March 31, 2022, 2) Apply the 2.3% rate increase April 1, then run a one time rate adjustment calculation for the Jan-Feb period using 2.3% rate charging just the rate increase (\$4.80) portion to be paid for in the Mar-Apr period, 3) If for some ratepayers using Table D, the Jan-Feb rate increase is a hardship then divide the Jan-Feb rate increase over the remaining 5 billing periods (\$.96) evenly to spread out the impact.

Nelson Hydro Rate Analyzer for 2021 (Jan 27 NH Memo Page 2 - 1150 Kwh per month)

Table A		Table B		Table C		Table D														
2020 Existing Urban & Rural Residential Rate		Urban & Rural Residential 2.3% Applied Jan 1 2021		Urban & Rural Residential Price Applied April 1		NH Invoice Analyzer using 2.3% Straight Line Calculation for Invoicing														
Month	Rate	Usageage - KWh	Standard Rate 0.1051 per KWh	Month	Rate	Usageage - KWh	Standard Rate 0.1051 per KWh	Month	Rate	Usageage - KWh	Standard Rate 0.1051 per KWh	Month	Rate	Usageage - KWh	2 Months @ 0% - 10 Months @ 2.3%	Jan-Feb 2.3%	Jan-Feb 2.3%	10 Mo Pro-Rated Cost	Adjusted Period Total	
Jan-Feb	\$0.105100	2300	\$241.73	Jan-Feb	\$0.107500	2300	\$247.25	\$5.52	Jan-Feb	\$0.105100	2300	\$241.73	\$0.00	Jan-Feb	\$0.105100	2300	\$241.73	\$5.52	\$5.52	\$241.73
Mar-Apr	\$0.105100	2300	\$241.73	Mar-Apr	\$0.107500	2300	\$247.25	\$5.52	Mar-Apr	\$0.108600	2300	\$249.78	\$8.05	Mar-Apr	\$0.107500	2300	\$247.25	\$5.52	\$1.10	\$248.35
May-Jun	\$0.105100	2300	\$241.73	May-Jun	\$0.107500	2300	\$247.25	\$5.52	May-Jun	\$0.108600	2300	\$249.78	\$8.05	May-Jun	\$0.107500	2300	\$247.25	\$5.52	\$1.10	\$248.35
Jul-Aug	\$0.105100	2300	\$241.73	Jul-Aug	\$0.107500	2300	\$247.25	\$5.52	Jul-Aug	\$0.108600	2300	\$249.78	\$8.05	Jul-Aug	\$0.107500	2300	\$247.25	\$5.52	\$1.10	\$248.35
Sep-Oct	\$0.105100	2300	\$241.73	Sep-Oct	\$0.107500	2300	\$247.25	\$5.52	Sep-Oct	\$0.108600	2300	\$249.78	\$8.05	Sep-Oct	\$0.107500	2300	\$247.25	\$5.52	\$1.10	\$248.35
Nov-Dec	\$0.105100	2300	\$241.73	Nov-Dec	\$0.107500	2300	\$247.25	\$5.52	Nov-Dec	\$0.108600	2300	\$249.78	\$8.05	Nov-Dec	\$0.107500	2300	\$247.25	\$5.52	\$1.10	\$248.35
<b>Annual Total</b>	<b>\$0.105100</b>	<b>2300</b>	<b>\$241.73</b>	<b>Annual rate hike total</b>		<b>2300</b>	<b>\$247.25</b>	<b>\$5.52</b>	<b>Annual rate hike total</b>		<b>2300</b>	<b>\$249.78</b>	<b>\$8.05</b>	<b>Annual rate hike total</b>		<b>2300</b>	<b>\$247.25</b>	<b>\$5.52</b>	<b>\$1.10</b>	<b>\$248.35</b>
		<b>13800</b>	<b>\$1,450.38</b>	<b>Annual rate hike total</b>		<b>13800</b>	<b>\$1,483.50</b>	<b>\$ 33.12</b>	<b>Annual rate hike total</b>		<b>13800</b>	<b>\$1,490.63</b>	<b>\$40.25</b>	<b>Annual rate hike total</b>		<b>13800</b>	<b>\$1,477.98</b>	<b>\$33.12</b>	<b>\$5.52</b>	<b>\$1,483.50</b>
				<b>Annual rate hike total</b>		<b>13800</b>	<b>\$ 1,483.50</b>	<b>\$ 33.12</b>	<b>Annual rate hike total</b>		<b>13800</b>	<b>\$1,490.63</b>	<b>\$40.25</b>	<b>Annual rate hike total</b>		<b>13800</b>				<b>\$1,483.50</b>

Table A will calculate ratepayers current cost based on 2020 usage, to use the analyzer, collect 6 NH invoices for 2020 . Look for the line item "Billed-Consumption" note the Kwh used, next step - for each period using the yellow cells enter the Kwh used. The analyzer will auto populate the other tables. Under Table C compare the "Annual Rate hike total" highlighted sections to understand what NH is charging.

Table B will show the straight line increased cost if NH were to start charging the standard 2.3% starting January 1, a straight line charge calculation is easy for the ratepayer to understand the full rate increase impact.

Delta - Margin 2.3 v 3.32 \$7.13

% of Overcharge 17.71

Table C will show the consequences of the April 1 NH billing plan. Notice for Jan - Feb period no rate increase, this is what NH is proposing to do, however the first rate increase of 3.32% is applied on April 1, look what happens by comparing the rate increases in the 2 tan boxes in Table B and C, notice under Table C the rate is higher than allowed in Table B, this is due to compounded 3.32% collecting more than has been authorized if NH applied 2.3% on Jan 1.

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Nelson Hydro Rate Analyzer for 2021 (Jan 27 NH Memo Page 2 - 1300 Kwh per month)

Table A				Table B				Table C				Table D					
2020 Existing Urban & Rural Residential Rate				Urban & Rural Residential 2.3% Applied Jan 1 2021				Urban & Rural Residential Price Applied April 1				NH Invoice Analyzer using 2.3% Straight Line Calculation for Invoicing					
Standard Rate		0.1051 per KWh		2.3% Straight Line Hike		0.1075 per KWh		3.32% Compounded Rate Hike		0.1051 per KWh		2 Months @ 0% - 10 Months @ 2.3%		Jan-Feb 2.3%			
Month	Rate	Usageage - KWh	Total	Month	Rate	Usageage - KWh	New Total	Month	Rate	Usageage - KWh	New Total	Month	Rate	Usageage - KWh	New Total		
Jan-Feb	\$0.105100	2600	\$273.26	Jan-Feb	\$0.107500	2600	\$279.50	Jan-Feb	\$0.105100	2600	\$273.26	Jan-Feb	\$0.105100	2600	\$273.26		
Mar-Apr	\$0.105100	2600	\$273.26	Mar-Apr	\$0.107500	2600	\$279.50	Mar-Apr	\$0.108600	2600	\$282.36	Mar-Apr	\$0.107500	2600	\$279.50		
May-Jun	\$0.105100	2600	\$273.26	May-Jun	\$0.107500	2600	\$279.50	May-Jun	\$0.108600	2600	\$282.36	May-Jun	\$0.107500	2600	\$279.50		
Jul-Aug	\$0.105100	2600	\$273.26	Jul-Aug	\$0.107500	2600	\$279.50	Jul-Aug	\$0.108600	2600	\$282.36	Jul-Aug	\$0.107500	2600	\$279.50		
Sep-Oct	\$0.105100	2600	\$273.26	Sep-Oct	\$0.107500	2600	\$279.50	Sep-Oct	\$0.108600	2600	\$282.36	Sep-Oct	\$0.107500	2600	\$279.50		
Nov-Dec	\$0.105100	2600	\$273.26	Nov-Dec	\$0.107500	2600	\$279.50	Nov-Dec	\$0.108600	2600	\$282.36	Nov-Dec	\$0.107500	2600	\$279.50		
<b>Annual Total</b>	<b>\$0.105100</b>	<b>2600</b>	<b>\$273.26</b>	<b>Annual rate hike total</b>		<b>2600</b>	<b>\$279.50</b>	<b>\$6.24</b>	<b>Annual rate hike total</b>		<b>\$282.36</b>	<b>\$9.10</b>	<b>Annual rate hike total</b>		<b>\$279.50</b>	<b>\$6.24</b>	
		<b>15600</b>	<b>\$1,639.56</b>	<b>Annual rate hike total</b>		<b>\$1,677.00</b>	<b>\$37.44</b>		<b>Annual rate hike total</b>		<b>\$1,685.06</b>	<b>\$45.50</b>	<b>Annual rate hike total</b>		<b>\$1,670.76</b>	<b>\$37.44</b>	
				<b>Annual rate hike total</b>		<b>15600</b>	<b>\$1,677.00</b>	<b>\$37.44</b>	<b>Annual rate hike total</b>		<b>15600</b>	<b>\$1,685.06</b>	<b>\$45.50</b>	<b>Annual rate hike total</b>		<b>15600</b>	

Table A will calculate ratepayers current cost based on 2020 usage, to use the analyzer, collect 6 NH invoices for 2020 . Look for the line item "Billed-Consumption" note the Kwh used, next step - for each period using the yellow cells enter the Kwh used. The analyzer will auto populate the other tables. Under Table C compare the "Annual Rate hike total" highlighted sections to understand what NH is charging.

Table B will show the straight line increased cost if NH were to start charging the standard 2.3% starting January 1, a straight line charge calculation is easy for the ratepayer to understand the full rate increase impact.

Delta - Margin 2.3 v 3.32 \$8.06

% of Overcharge 17.71

Table C will show the consequences of the April 1 NH billing plan. Notice for Jan - Feb period no rate increase, this is what NH is proposing to do, however the first rate increase of 3.32% is applied on April 1, look what happens by comparing the rate increases in the 2 tan boxes in Table B and C, notice under Table C the rate is higher than allowed in Table B, this is due to compounded 3.32% collecting more than has been authorized if NH applied 2.3% on Jan 1.

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Nelson Hydro Rate Analyzer for 2021 (Jan 27 NH Memo Page 2 - 1450 Kwh per month)

Table A		Table B		Table C		Table D													
2020 Existing Urban & Rural Residential Rate		Urban & Rural Residential 2.3% Applied Jan 1 2021		Urban & Rural Residential Price Applied April 1		NH Invoice Analyzer using 2.3% Straight Line Calculation for Invoicing													
Month	Standard Rate	Usage - KWh	0.1051 per KWh	Month	2.3% Straight Line Hike	0.1075 per KWh	2021 Increased Portion	Month	Standard Rate	0.1051 per KWh	2021 Increased Portion	Month	2 Months @ 0% - 10 Months @ 2.3%	0.1075 per KWh	2021 Increased Portion	Jan-Feb 2.3%	\$6.96	10 Mo Pro-Rated Cost	Adjusted Period Total
Jan-Feb	\$0.105100	2900	\$304.79	Jan-Feb	\$0.107500	2900	\$311.75 \$6.96	Jan-Feb	\$0.105100	2900	\$304.79 \$0.00	Jan-Feb	\$0.105100	2900	\$304.79	\$0.00	\$304.79		
Mar-Apr	\$0.105100	2900	\$304.79	Mar-Apr	\$0.107500	2900	\$311.75 \$6.96	Mar-Apr	\$0.108600	2900	\$314.94 \$10.15	Mar-Apr	\$0.107500	2900	\$311.75 \$6.96	\$1.39	\$313.14		
May-Jun	\$0.105100	2900	\$304.79	May-Jun	\$0.107500	2900	\$311.75 \$6.96	May-Jun	\$0.108600	2900	\$314.94 \$10.15	May-Jun	\$0.107500	2900	\$311.75 \$6.96	\$1.39	\$313.14		
Jul-Aug	\$0.105100	2900	\$304.79	Jul-Aug	\$0.107500	2900	\$311.75 \$6.96	Jul-Aug	\$0.108600	2900	\$314.94 \$10.15	Jul-Aug	\$0.107500	2900	\$311.75 \$6.96	\$1.39	\$313.14		
Sep-Oct	\$0.105100	2900	\$304.79	Sep-Oct	\$0.107500	2900	\$311.75 \$6.96	Sep-Oct	\$0.108600	2900	\$314.94 \$10.15	Sep-Oct	\$0.107500	2900	\$311.75 \$6.96	\$1.39	\$313.14		
Nov-Dec	\$0.105100	2900	\$304.79	Nov-Dec	\$0.107500	2900	\$311.75 \$6.96	Nov-Dec	\$0.108600	2900	\$314.94 \$10.15	Nov-Dec	\$0.107500	2900	\$311.75 \$6.96	\$1.39	\$313.14		
<b>Annual Total</b>	<b>\$0.105100</b>	<b>2900</b>	<b>\$304.79</b>	<b>Annual rate hike total</b>	<b>\$1,870.50</b>	<b>\$41.76</b>		<b>Annual rate hike total</b>	<b>\$1,879.49</b>	<b>\$50.75</b>	<b>Annual rate hike total</b>	<b>\$1,870.50</b>	<b>\$41.76</b>	<b>Annual rate hike total</b>	<b>\$1,863.54</b>	<b>\$41.76</b>	<b>\$6.96</b>	<b>\$1,870.50</b>	
				<b>Annual rate hike total</b>	<b>17400</b>	<b>\$ 1,870.50</b>	<b>\$ 41.76</b>	<b>Annual rate hike total</b>	<b>17400</b>	<b>\$ 1,879.49</b>	<b>\$ 50.75</b>	<b>Annual rate hike total</b>	<b>17400</b>						

Table A will calculate ratepayers current cost based on 2020 usage, to use the analyzer, collect 6 NH invoices for 2020 . Look for the line item "Billed-Consumption" note the Kwh used, next step - for each period using the yellow cells enter the Kwh used. The analyzer will auto populate the other tables. Under Table C compare the "Annual Rate hike total" highlighted sections to understand what NH is charging.

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Delta - Margin 2.3 v 3.32

% of Overcharge

\$8.99

17.71

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## 2021 Nelson Hydro Rate Increase | Information for Rural Customers

January 27th, 2021

### **To our Valued Nelson Hydro Rural Customers;**

You may have recently received a notice from the B.C. Utilities Commission (BCUC) regarding two rate applications to increase Nelson Hydro rates. This notice is part of the formal process by BCUC to set new rates in the rural area.

#### **General Rate Increase for 2021 (Application 1):**

- Following Nelson Hydro's zero % increase in 2020 and facing rising power purchase costs due to FortisBC's 1% rate increase in 2020 and 4.36% increase in 2021, Nelson Hydro is proposing a 3.32% rate increase effective April 1st, 2021.

#### **Cost of Service Rate Increase (Application 2):**

- Nelson Hydro has filed a **Cost of Service and Rate Design Application** with the BCUC supporting a request for approval to increase rural residential rates.
- The *Cost of Service Analysis* indicates current rates do not recover the full cost of serving rural customers by approximately \$1.5 million per year.
- Rates are proposed to increase by 5.72% on September 1st in 2021, 2022 and 2023.

#### **Increasing Rates Supports Increased Reliability:**

- The proposed rate increase will allow Nelson Hydro to continue with its expanded vegetation management and capital infrastructure upgrade programs. These programs provide increased safety and reliability and allow Nelson Hydro to respond promptly to major storm events such as the wind storm on January 13th, 2021.

#### **Rates for a Typical Rural Customer:**

- A typical rural customer's Nelson Hydro bill is \$1,179 per year or \$98 per month. In 2023, if a typical customer continues to use the same amount of electricity, their bill would be \$1,393 or \$116 per month. By 2023, they would still pay less than \$4 per day for all of their electrical use, at a rate that will be at least 4% less than FortisBC.  
935 kWh per month or 1870 kWh per billing cycle

#### **Lower Your Bill by Lowering Energy Use:**

- Save up to 30% on your hydro bill with our EcoSave program. By reducing your energy use, not only do you lower your electricity bill, but you reduce the amount of power Nelson Hydro needs to purchase and also reduce your impact on climate change. To learn more, visit the EcoSave Program at [nelson.ca/ecosave](http://nelson.ca/ecosave).

#### **Learn More:**

- Visit [nelson.ca/hydro](http://nelson.ca/hydro) to read more about the BCUC application, background materials, reports, and FAQs.

The staff at Nelson Hydro are proud to provide outstanding service for our neighbours. We recognize that rate increases of any magnitude impact all of our customers and that such impacts may be felt more during these challenging times. We are committed to working with you to help lower your energy use and minimize any rate increase impact while continuing to improve our system's safety and reliability. If you have questions, please reach out.

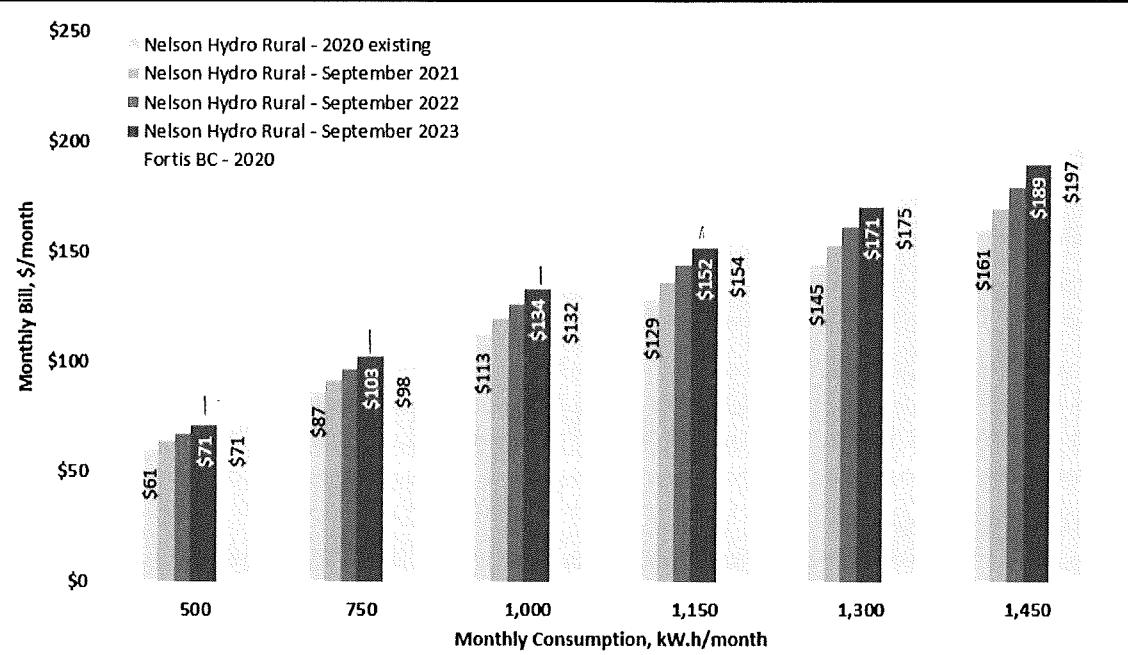
Sincerely,

A handwritten signature in black ink, appearing to read "S. Spencer".

Scott Spencer,  
General Manager, Nelson Hydro

*Honoured to serve our rural customers since 1922.*

# Proposed Rural Rate Change and Service: By the Numbers



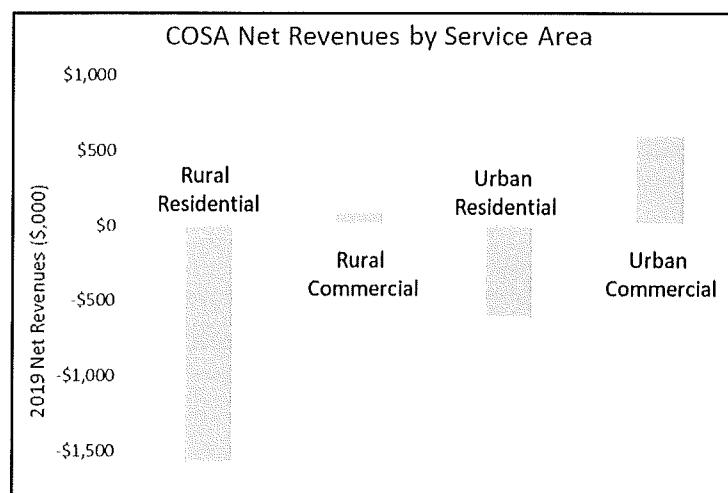
1870KWh/1yr.

## Did you know?

A typical rural residential customer pays \$3.23 per day for electricity.

Rate increases to cover the revenue shortfall are being phased in over three years.

In 2023, the cost of electricity for that same customer will be \$3.82 per day.



The *Cost of Service Analysis* indicates current rates do not recover the full costs of serving the rural customers by approximately \$1.5 million per year.

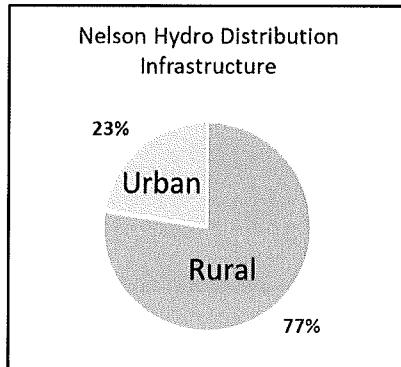
## VEGETATION MANAGEMENT

Over the past four years, Nelson Hydro has invested \$2.6 million in brushing and tree trimming to improve our reliability.

86% of all vegetation management work completed during this four-year period was in the rural service area.



77% of Nelson Hydro's distribution infrastructure is used to service the rural areas (e.g. lines, poles, switches etc.).



Do you want to learn more about the proposed rate increases? Contact Nelson Hydro at (250) 352-8254, visit [nelson.ca/ruralhydro](http://nelson.ca/ruralhydro), or email our Deputy Corporate Officer at [dco@nelson.ca](mailto:dco@nelson.ca).

*Honoured to serve our rural customers since 1922.*

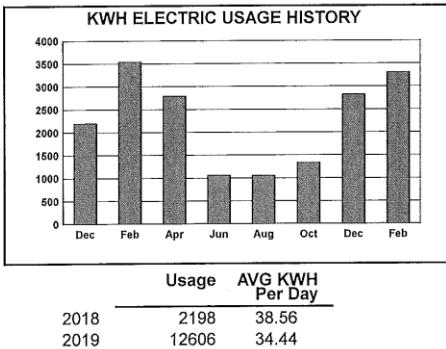
## Jan-Feb Period

### NELSON HYDRO - Utility Billing

Suite 101, 310 Ward St., Nelson, BC

ACCOUNTS WILL BE SUBJECT TO A 5% LATE CHARGE IF PAYMENT IS NOT RECEIVED BY THE DUE DATE

Meter	RateCode	BillingType	Prev.Read Date	Curr.Read Date	Days	Prev. Read	Curr. Read	Mult	Usage	Units
059455	E10	RE	19-Dec-2019	20-Feb-2020	63	66649	69951	1.00	3302	KWH



Description	Rate	Usage	\$ Amount
Billing			\$303.67
Payment - Other			\$303.67CR
Balance Forward Due Now			\$0.00CR
Basic Charge			\$16.22
Billed Consumption - Residential	0.10510	3302	\$347.04
Federal Sales Tax (GST)			\$18.16
Current Charges Due 30-Mar-2020			\$381.42
<b>Total Amount</b>			<b>\$381.42</b>

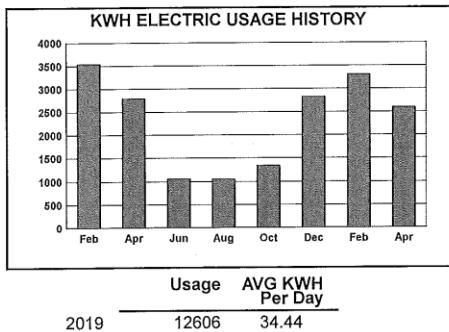
## Mar-Apr Period

### NELSON HYDRO - Utility Billing

Suite 101, 310 Ward St., Nelson, BC

ACCOUNTS WILL BE SUBJECT TO A 5% LATE CHARGE IF PAYMENT IS NOT RECEIVED BY THE DUE DATE

Meter	RateCode	BillingType	Prev.Read Date	Curr.Read Date	Days	Prev. Read	Curr. Read	Mult	Usage	Units
059455	E10	RE	20-Feb-2020	21-Apr-2020	61	69951	72543	1.00	2592	KWH



Description	Rate	Usage	\$ Amount
Billing			\$381.42
Payment - Other			\$381.42CR
Balance Forward Due Now			\$0.00CR
Basic Charge			\$16.22
Billed Consumption - Residential	0.10510	2592	\$272.42
Federal Sales Tax (GST)			\$14.43
Current Charges Due 01-Jun-2020			\$303.07
<b>Total Amount</b>			<b>\$303.07</b>

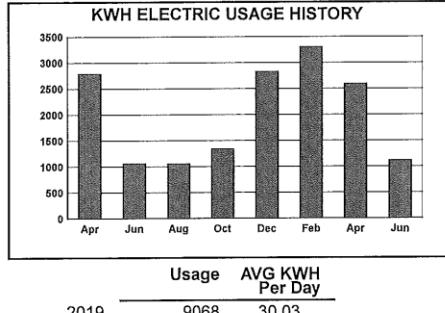
## May-Jun Period

### NELSON HYDRO - Utility Billing

Suite 101, 310 Ward St., Nelson, BC

ACCOUNTS WILL BE SUBJECT TO A 5% LATE CHARGE IF PAYMENT IS NOT RECEIVED BY THE DUE DATE

Meter	RateCode	BillingType	Prev.Read Date	Curr.Read Date	Days	Prev. Read	Curr. Read	Mult	Usage	Units
059455	E10	RE	21-Apr-2020	22-Jun-2020	62	72543	73657	1.00	1114	KWH



Description	Rate	Usage	\$ Amount
Billing			\$303.07
Payment - Other			\$303.07CR
Balance Forward Due Now			\$0.00CR
Basic Charge			\$16.22
Billed Consumption - Residential	0.10510	1114	\$117.08
Federal Sales Tax (GST)			\$6.67
Current Charges Due 27-Jul-2020			\$139.97
<b>Total Amount</b>			<b>\$139.97</b>

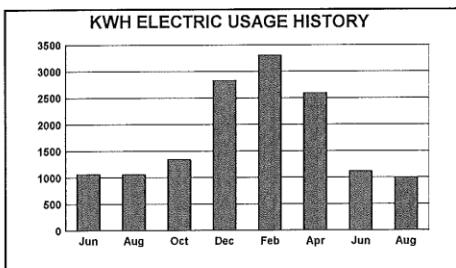
## Jul-Aug Period

### NELSON HYDRO - Utility Billing

Suite 101, 310 Ward St., Nelson, BC

ACCOUNTS WILL BE SUBJECT TO A 5% LATE CHARGE IF PAYMENT IS NOT RECEIVED BY THE DUE DATE

Meter	RateCode	BillingType	Prev.Read Date	Curr.Read Date	Days	Prev. Read	Curr. Read	Mult	Usage	Units
059455	E10	RE	22-Jun-2020	24-Aug-2020	63	73657	74649	1.00	992	KWH



Description	Rate	Usage	\$ Amount
Billing			\$139.97
Payment - Other			\$139.97CR
<b>Balance Forward Due Now</b>			<b>\$0.00CR</b>
Basic Charge			\$16.22
Billed Consumption - Residential	0.10510	992	\$104.26
Federal Sales Tax (GST)			\$6.02
<b>Current Charges Due 05-Oct-2020</b>			<b>\$126.50</b>
<b>Total Amount</b>			<b>\$126.50</b>

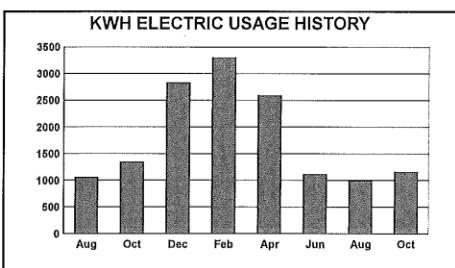
## Sep-Oct Period

### NELSON HYDRO - Utility Billing

Suite 101, 310 Ward St., Nelson, BC

ACCOUNTS WILL BE SUBJECT TO A 5% LATE CHARGE IF PAYMENT IS NOT RECEIVED BY THE DUE DATE

Meter	RateCode	BillingType	Prev.Read Date	Curr.Read Date	Days	Prev. Read	Curr. Read	Mult	Usage	Units
059455	E10	RE	24-Aug-2020	26-Oct-2020	63	74649	75805	1.00	1156	KWH



Description	Rate	Usage	\$ Amount
Billing			\$126.50
Payment - Other			\$126.50CR
<b>Balance Forward Due Now</b>			<b>\$0.00CR</b>
Basic Charge			\$16.22
Billed Consumption - Residential	0.10510	1156	\$121.50
Federal Sales Tax (GST)			\$6.89
<b>Current Charges Due 30-Nov-2020</b>			<b>\$144.61</b>
<b>Total Amount</b>			<b>\$144.61</b>

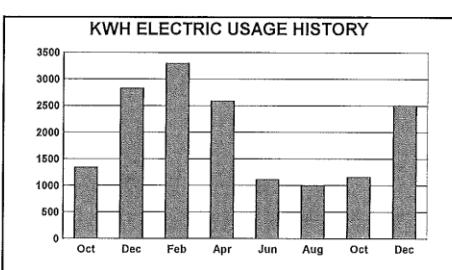
## Nov-Dec Period

### NELSON HYDRO - Utility Billing

Suite 101, 310 Ward St., Nelson, BC

ACCOUNTS WILL BE SUBJECT TO A 5% LATE CHARGE IF PAYMENT IS NOT RECEIVED BY THE DUE DATE

Meter	RateCode	BillingType	Prev.Read Date	Curr.Read Date	Days	Prev. Read	Curr. Read	Mult	Usage	Units
059455	E10	RE	26-Oct-2020	21-Dec-2020	56	75805	78316	1.00	2511	KWH



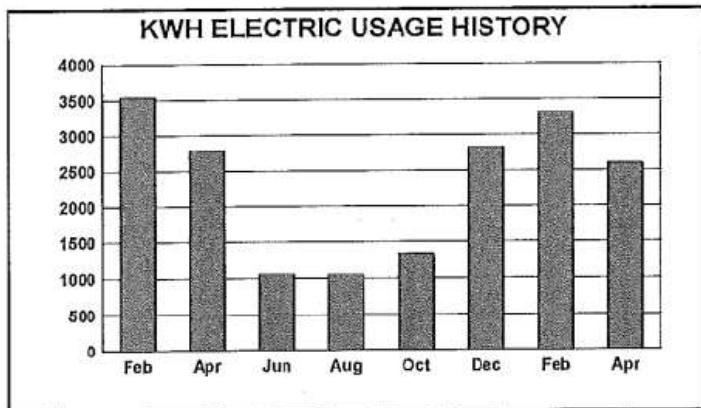
Description	Rate	Usage	\$ Amount
Billing			\$144.61
Payment - Other			\$144.61CR
<b>Balance Forward Due Now</b>			<b>\$0.00CR</b>
Basic Charge			\$16.22
Billed Consumption - Residential	0.10510	2511	\$263.91
Federal Sales Tax (GST)			\$14.01
<b>Current Charges Due 25-Jan-2021</b>			<b>\$294.14</b>
<b>Total Amount</b>			<b>\$294.14</b>

# NELSON HYDRO - Utility Billing

Suite 101, 310 Ward St., Nelson, BC

ACCOUNTS WILL BE SUBJECT TO A 5% LATE CHARGE IF PAYMENT IS NOT RECEIVED BY THE DUE DATE

Meter	RateCode	BillingType	Prev.Read Date	Curr.Read Date	Days	Prev. Read	Curr. Read	Mult	Usage	Units
059455	E10	RE	20-Feb-2021	21-Apr-2021	61	69951	72543	1.00	2592	KWH



Usage      AVG KWH  
Per Day

2020      12606      34.44

Description	Rate	Usage	\$ Amount
Billing			\$381.42
Payment - Other			\$381.42CR
<b>Balance Forward Due Now</b>			<b>\$0.00CR</b>
Jan - Feb 2.3% Rate Adjustment	0.1075	3302	\$7.92
Basic Charge			\$16.22
Billed Consumption - Residential	0.1075	2592	\$272.42
Federal Sales Tax (GST)			\$14.82
<b>Current Charges Due 01-Jun-2021</b>			<b>\$311.38</b>
<b>Total Amount</b>			<b>\$311.38</b>

$$\begin{aligned} & .1075 \times 3302 = \$354.96 - \text{Jan - Feb charges with 2.3\%} \\ & - .1051 \times 3302 = \$347.04 - \text{Jan - Feb period without 2.3\%} \end{aligned}$$

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\$7.92 - Jan - Feb 2.3% increase adjustment

**CITY OF NELSON v. HILLIARD**

*British Columbia Court of Appeal, Farris, C.J.B.C., Branca and Robertson, J.J.A.  
November 3, 1976.*

*D. W. Roberts*, for appellant.

*D. W. Mossop*, for respondents.

The judgment of the Court was delivered by

FARRIS C.J.B.C.:—This is an appeal by the City of Nelson from a decision of the Honourable Mr. Justice Macfarlane holding that the provisions of By-law 1547 of the City of Nelson were invalid in so far as such provisions purport to authorize the requirement of security deposits from tenant users of electricity supplied by the City of Nelson. With respect, I do not agree. In my view the *Municipal Act*, R.S.B.C. 1960, c. 255, permits such requirement.

The case was argued in the Court below [69 D.L.R. (3d) 305, [1976] 4. W.W.R. 615] and before this Court on the statement of agreed facts which are as follows:

1. The Plaintiff, Kevin Hilliard is a financial assistance worker with the Department of Human Resources and resides at 1321 Ward Street, in the City of Nelson, in the Province of British Columbia.

2. The City of Nelson is a body corporate, duly incorporated under the Municipal Act, R.S.B.C. 1960, c. 255, and is a municipal utility within the meaning of "Division (2) — Municipal Utilities" section 559 to 571A inclusive of the said "Municipal Act".
3. The Plaintiff is a resident of the said City and does not own his residential premise, but rents it and uses electricity for his own use and his family.
4. On or about the 1st day of June, A.D. 1974, the Plaintiff applied for electrical service from the Defendant for said residential premises.
5. As a condition to the provision of such electrical service the Defendant demanded a security deposit of Twenty-five (\$25.00) Dollars from the Plaintiff.
6. The Plaintiff paid such a deposit in cash.
7. The Defendant has a practical monopoly on the supply of electrical service in the City of Nelson.
8. The Defendant pays no interest to the Plaintiffs on any such security deposits it holds and makes use of such money.
9. The Defendant requires and required before and after the issuance of the Writ from some other individual residential customers (the other Plaintiffs) to pay security deposits and such a class exists in the City of Nelson and the Defendant holds a sum of money in funds for security deposits.
10. In collecting security deposits, as admitted herein, the Defendant is acting under the authority of By-Law 1547, section 12, validly enacted by the Council of the City of Nelson and approved by the Lieutenant-Governor in Council pursuant to section 568 of the "Municipal Act", which provides as follows:

**"12. DEPOSIT**

- (a) A deposit shall be paid at the time an application for service is made. The amount of this deposit shall:

- (i) If charges for K.W.H. Consumption are metered and billed on a monthly basis, be equal to Two and One-Half Months estimated energy consumption, but in no case less than the minimum amount specified in the appropriate rate schedule

OR

- (ii) If charges for K.W.H. Consumption are metered and billed on a bi-monthly basis, be equal to 3 1/2 months estimated energy consumption, but in no case less than the minimum amount specified in the appropriate rate schedule.

- (b) All consumers with electrical services connected to premises located outside the legal boundaries of, and maintained by, the City of Nelson, irrespective of whether such consumers are either the registered owners or the tenants of the real property, shall be initially required to pay the appropriate deposit as hereinbefore stated. Similarly, tenants or other non-owners of real property who occupy premises within the City of Nelson shall likewise pay the requisite deposit as collateral on their current accounts. A deposit shall NOT be required from a consumer who is an owner, as defined by the Municipal Act, and who occupies real property *within* the Municipality to which electrical energy has been supplied for the sole consumption and use of the said consumer.

In cases where the initial deposit requirement from those consumers whose accounts are to be administered on a bi-monthly basis, is likely to cause undue financial hardship a consumer will be permitted, at the City's discretion, to pay such deposit in *two* installments. At least

50% of the deposit must be paid at the time of requesting the service, and the balance within 30 days thereafter, otherwise the service shall be liable for disconnection.

- (c) A deposit shall be refunded:
  - (i) Upon discontinuance of service only when the final and last account, together with any arrears, is paid in full or it may be applied to the customer's account, or
  - (ii) On application by the customer after two years' continuous service if the customer has, by prompt payment of his bills during the said years, established credit to the satisfaction of the City."

11. In applying By-Law 1547, Section 12, The City of Nelson divides consumers into three categories identified as B, C, and A, in that order.

B — represents the electrical customer who is a City property owner. The City of Nelson considers B's real property as his collateral or deposit security for the supply of electricity. Should there remain rates unpaid as at December 31st in any year, then by authority of the "Municipal Act" C. 255, S.377, such arrears of rates becomes arrears of taxes and "forms a charge or lien upon the land or real property ..."

C — is an electrical customer having some form of collateral on deposit, i.e., cash, savings certificate, bond, for safekeeping with the City of Nelson.

A — is an electrical customer who was formerly a C customer, and has now established a good credit rating with the City pursuant to (c) (ii) of By-Law 1547, Section 12. In applying this subsection the policy of the City of Nelson is to confer A status on all C status customers who have not fallen into arrears more than twice during a two year period of continuous service. At the end of such two year period and upon application, the City refunds the security deposits.

12. Further, in applying By-Law 1547, Section 12, when customers apply for electrical service connection, Subsection (c) (1) and (c) (ii) are pointed out to them.
13. This case only applies to electrical services delivered within the boundaries of the City of Nelson.

The authority for the by-law is to be found in s. 568 [am. 1961, c. 43, s. 30; 1962, c. 41, s. 24; 1971, c. 33, s. 42] of the *Municipal Act*, R.S.B.C. 1960, c. 255, which provides:

568(1) The Council operating and maintaining a municipal utility may, by by-law approved by the Lieutenant-Governor in Council, fix the rates, terms, and conditions under which gas, or electrical energy, or water, or transportation facilities, or telephone facilities, or closed-circuit television facilities may be supplied and used.

(2) The provisions of a by-law adopted under this section fixing rates and charges override the terms of any agreement respecting the carriage or supply of water for irrigation entered into by any company or other person from whom the municipality has acquired any water licence or works.

(3) A by-law under subsection (1) may provide for the classification of users and prescribe different rates, terms, and conditions for different users.

(4) Rates for the supply and use of water for irrigation may be fixed to vary with the acreage of the arable land for which the water is supplied or for which it is available, and in that case the Council may by by-law make all nec-

essary provisions for the preparation of an assessment roll for the calculation of the rates, and the provisions of this Act apply to the assessment roll as if it were an assessment roll not coming within subsection (1) of section 355.

The trial Judge accepted the contention of the plaintiffs that the Legislature intended to limit the right of classification under s. 568(3) on the basis of use. He stated [at p. 312]:

The subsection provides for the classification of *users* and for different treatment of different *users*. The word *users* clearly refers to classes rather than to individuals. Counsel for the plaintiffs contend that, if classification is based upon use of the product, then the natural classes are residential, commercial and industrial. I agree. A class based upon ownership of property or upon credit worthiness is not a class based upon use of the product, and is a classification outside that which was intended by the legislation. The classes to be determined upon grounds other than use are unlimited, and I do not think that the Legislature can be taken to have authorized municipalities to discriminate on a broad and unrestricted basis.

With respect, the fallacy in this reasoning is that attention is confined to s.s.(3) of s. 568 and to use. However, s.s.(3) is dealing with a "by-law under subsection (1)". Subsection (1) is the subsection that gives authority to fix rates, terms and conditions under which electrical energy "may be supplied and used". Thus when s.s. (3) refers to "different rates, terms and conditions for different users" it has reference to a by-law dealing with the rates, terms and conditions under which electrical energy is *supplied and used*. One of the conditions under which electrical energy is supplied is that it will be paid for. With users who are tenants there may be different problems securing payment than with users who are owners. Therefore, s. 568 read as a whole contemplates that different terms and conditions may be enacted in respect of the supply to different users. In other words, the power to differentiate is not simply in respect of use but is also in respect of conditions of supply.

The case of *Chastain et al. v. B.C. Hydro and Power Authority* (1972), 32 D.L.R. (3d) 443, [1973] 2 W.W.R. 481, is distinguishable. There it was held that security deposits as a condition precedent to the continued supply of electrical power and gas were illegal. In that case, however, there was no provision similar to s. 568 of the *Municipal Act*. At pp. 456-7 D.L.R., pp. 494-5 W.W.R., of the report the Court said:

The defendant also sought to justify the security deposits on the basis of s. 57 of the *British Columbia Hydro and Power Authority Act, 1964*, which is quoted hereunder:

"57. In order to give full force and effect to the meaning and intent of this Act the Lieutenant-Governor in Council may make any orders and regulations deemed necessary or advisable for carrying out the spirit, intent, and meaning of this Act in relation to matters for which no express provision has been made."

The deposits complained of were provided for in tariffs published by the defendant in the purported exercise of the power contained in s. 57. It is undoubtedly true that the Legislature could, if it wished, by the use of appropriate

language, authorize discrimination among residential consumers and authorize virtually any other form of discrimination in any manner it wished and even give a power to withhold service at its discretion, I cannot, however, agree that the Legislature has done so in the *British Columbia Hydro and Power Authority Act, 1964*. The Legislature will not be presumed to have intended to grant such powers in the absence of specific words adequate to confer them.

Section 57 of the *British Columbia Hydro and Power Act, 1964* (B.C.), c. 7, is not comparable to s. 568 of the *Municipal Act*.

Accordingly, I would allow the appeal and answer the question "Are the provisions of By-Law 1547 of the City of Nelson invalid insofar as such provisions purport to authorize the requirement of security deposits from the plaintiffs" in the negative. As this is a test case I would make no order as to costs.

*Appeal allowed.*

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