

Sent: March 4, 2021 8:52 PM
To: Commission, Secretary
Subject: Letter of Comment - Nelson Hydro COSA and RDA - Heather Kennedy
Attachments: NH BCUC COSA application letter.docx

Date Submitted: March 04, 2021

Proceeding name: Nelson Hydro COSA and RDA

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

Name: Heather Kennedy

City: Nedlson

Province: British Columbia

Email: [REDACTED]

Phone number: [REDACTED]

Comment:
please see the attached letter. Thanks so much!

Has Attachment:
True

This letter is in regards to Nelson Hydro's (NH) application for a Cost of Service (COSA) and RDA rate increases.

We are residents of Highway 3A, at 10-mile and have been for many years.

The BCUC, as we understand your process, will consider the application in terms of the appropriate legislation and whether or not Nelson Hydro has provided a fully reasoned and well calculated and thorough approach to the matter in the application.

The NH application takes an interesting look at the 100 plus year history of this utility. During this period there are several times of inflection and I expect that NH thinks the COSA and RDA inflection now is just the ticket for right now. We disagree.

There are multiple layers to consider here, specifically:

- The principle for COSA and the acceptability of asking rural customers to pay more for their service and the conditions that must be put in place to do this in the best interests of the rural customers
- The appetite to continue with the inconsistency of having NH, owned by the city of Nelson, supplying power outside of its community to address a major governance shortfall.
- The principle that NH adds value to its customers to a level that warrants its existence and/or its higher rates. It seems like a small, inward looking, and non-innovative utility.
- NH application information that is incomplete and thus renders you unable to make a reasoned decision and
- The inclusion of this rate increase at the same time as the general rate increase requested by NH.

Is NH a public utility or is it not? It appears as though it is and yet it is not. The current governance is unacceptable. The decision makers are the municipally elected officials who are accountable to their electorate. Even with agreements in place there is not enough input and accountability for the rural customers. There will always be a tendency to favor the larger population base and towards the boss; in this case the city of Nelson and its residents. The current information supports this in terms of availability, maintenance and capital work and financial benefits. This needs to change.

The fact that rural customers are required to use NH for their power needs to be reconsidered. There is no data that confirms that NH is providing a superior or more cost effective service; in fact the opposite is true. Their overhead is simply money wasted. The fact that NH can note that the North Shore of Kootenay Lake is geographically challenging is a concern. There is remarkably little that is unique about the north shore of the west arm of Kootenay Lake from a geographic, population forestation or any other aspect. Maybe having a power supplier that deals with a bigger range of terrain will bring better knowledge, expertise and experience of how to deal with the rural areas plus economy of scale.

NH's application is incomplete in that it fails to provide plausible scenarios, a range of risk based options or fact based assessments of improvement to service. Nor does it consider examples from elsewhere that can be helpful in terms of what has worked or not worked. Even its user survey provides leading and biased questions. What is additionally troubling is that the submission also provides nothing to confirm that work done to date has actually improved service. There are crews constantly on highway 3A yet service levels are actually declining. The application does not indicate any plans to systemically treat the problems; currently we tolerate them and if rural customers are going to be asked to pay more than shouldn't expect better service, better communication and more awareness of and chance to approve plans? Lastly, we wonder if the timelines NH uses in their application to justify this change in principle are convenient versus an industry standard to of an acceptable length. Lastly, where is the guarantee that not one penny of the extra rural rates will be used for urban matters or overhead?

We know that NH asked for the general rate increase and this application to be considered separately but that is inappropriate as the recipients of both of these increases are the same customers. The source of the impact won't matter when the bills arrive, will it?

Please consider getting much more robust information before making this decision. Require that you are given much better options and risk and opportunities before deciding. If you decide you must go this way, then please consider the conditions that you put in place which address the significant systemic and structural issues with NH and the service it provides to its rural customers from our perspective and not just what's best for Nelson Hydro.

Regards,

Doug and Heather Kennedy

Cc Tom Newell, Area F, director, RDCK