

23 October 2019

Via Email

Mr. Patrick Wruck
Commission Secretary
BC Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mr. Wruck:

**Re: British Columbia Utilities Commission (BCUC, Commission)
Creative Energy Vancouver Platforms Inc. (Creative Energy)
Application for Interim Heating Rates for the Heating Thermal Energy System (TES) at
the Vancouver House Development (Application)**

Creative Energy is pleased to submit the attached draft order as requested by Commission staff, which serves to clarify the request now for approval of interim rates subject to a future filing for permanent rates when the final cost of the Heating TES is known.

By way of the attached draft order, Creative Energy clarifies that its Application for Heating TES rates includes a proposed rate design that Creative Energy will not amend nor supplement at the time that it brings final costs forward for approval. Thus, Creative Energy would be prepared to support Commission review of the rate design in advance of final costs being known as the Commission deems necessary; however, Creative Energy in general is seeking regulatory efficiency and may prefer to coordinate review of the rate design with the expected future review of the final costs of the Heating TES at the appropriate time.

Sincerely,



Rob Gorter
Director, Regulatory Affairs and Customer Relations

CREATIVE ENERGY VANCOUVER
PLATFORMS INC.

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Order Number



IN THE MATTER OF
the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

Creative Energy Vancouver Platforms Inc. – Application for Interim Heating Rates for the Thermal Energy System (TES) at the Vancouver House Development

ORDER

WHEREAS:

- A. On October 2, 2019, Creative Energy applied for Commission approval of rates, terms and conditions of service, and a Revenue Deficiency Deferral Account (RDDA) for its provision of thermal energy service for heating at the Vancouver House Development in the South Downtown area of Vancouver (Application);
- B. Creative Energy applies for permanent approval of a rate design, consisting of a levelized Capacity Charge per kilowatt (kW) per month and a Variable Charge per megawatt hour (MWh), and permanent approval of associated terms and conditions for service as set out in the Customer Service Agreement (CSA) attached as Appendix 1 to the Application;
- C. Creative Energy applies for interim approval, effective November 1, 2019, of,
 - a Capacity Charge of \$11.80/kW/month;
 - a Variable Charge (\$/MWh) to flow-through the actual fuel costs to operate the TES. The Variable Charge in \$/MWh will be calculated each month equal to total monthly fuel costs of the TES for natural gas and electricity (in \$) divided by the total metered energy supplied by the TES to the customers during the month (in MWh);
 - the associated terms and conditions of service as set out in the CSA;
- D. Creative Energy applies for permanent approval of a RDDA to record annual revenue deficiencies or surpluses resulting from the difference between annual revenue at the approved rates and the annual cost of service. The RDDA will attract interest at Creative Energy's weighted average cost of capital and will be recovered from customers over time through the proposed levelized Capacity Charge;
- E. Creative Energy will submit an evidentiary update of final costs to support a final determination of Heating TES rates pending completion of Buildings 3 and 4 at the Vancouver House development and to support a Commission-directed report into the final costs of the Heating TES that is expected to follow at that time, expected in April 2020; and

- F. The Commission has reviewed the Application and is satisfied that the rates and terms and conditions should be approved on an interim basis subject to the considerations as ordered below.

NOW THEREFORE the British Columbia Utilities Commission orders as follows:

1. A Capacity Charge of \$11.80/kW/month is approved on an interim and refundable basis, effective as of November 1, 2019 and subject to further order of the Commission.
2. A Variable Charge in \$/MWh is approved on an interim and refundable basis, effective as of November 1, 2019 and subject to further order of the Commission. The Variable Charge is to be calculated each month equal to total monthly fuel costs of the TES for natural gas and electricity (in \$) divided by the total metered energy supplied by the TES to the customers during the month (in MWh).
3. The CSA as provided in Appendix 1 to the Application, is approved on an interim basis, effective as of November 1, 2019 and subject to further order of the Commission.
4. A RDDA as proposed is approved.

DATED at the City of Vancouver, in the Province of British Columbia, this ____ day of October 2019.