

SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, BC V6Z 2N3 CANADA
web site: <http://www.bcuc.com>



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-172-14**

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

**IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473**

and

**an Application by FortisBC Alternative Energy Services Inc.
for Approval of the Rate Design and Rates Established in Agreements
for Thermal Energy Services for the TELUS Garden Development**

BEFORE: D. M. Morton, Panel Chair / Commissioner
B. A. Magnan, Commissioner
K. Keilty, Commissioner
November 7, 2014

O R D E R

WHEREAS:

- A. On October 16, 2012, FortisBC Alternative Energy Services Inc. (FAES) applied to the British Columbia Utilities Commission (Commission), pursuant to sections 45 and 46 of the *Utilities Commission Act* (Act), for a Certificate of Public Convenience and Necessity (CPCN) for the construction and operation of the TELUS Garden Thermal Energy System (TGTES). This development was to be constructed by a partnership formed between Westbank Projects Corp. and TELUS Communications (Partnership), then be purchased and operated by FAES. FAES also sought, pursuant to sections 59 to 61 of the Act, approval of the rate design and rates as set out in the service agreements between FAES and the Partnership (Original Application);
- B. On February 4, 2013, by Order C-1-13, the Commission granted a CPCN to the Partnership for the construction of the TGTES and approval to FAES for the purchase and operation of the TGTES. However, the Commission denied the rate design and rates established by the service agreements filed with the Original Application. The Commission directed FAES to comply with all directives and determinations included in the Reasons for Decision accompanying Order C-1-13 and to file a new rate application no later than 90 days prior to the commissioning date of the project;
- C. On December 27, 2012, the Commission issued the Report on the Inquiry into the Offering of Products and Services in Alternative Energy Solutions and Other New Initiatives (AES Report). The AES Report tasked Commission staff, in consultation with stakeholders, to develop a scaled regulatory framework for TES utilities and to establish the form of regulation required for different types of Thermal Energy System (TES) projects.

- D. Commission staff, in consultation with various stakeholder during 2013, developed the draft Thermal Energy Systems Regulatory Framework Guidelines (Draft TES Guidelines);
- E. The Commission commenced a public review of the Draft TES Guidelines on August 28, 2013;
- F. On August 27, 2014, the Commission issued Orders G-119-14, G-120-14 and G-121-14, enacting the proposed exemptions for certain Thermal Energy Systems. On August 28, 2014, the Commission issued the final TES Guidelines;
- G. On October 29, 2014, FAES applied to the Commission for approval, pursuant to sections 59–61 of the Act, of the rate design and rates established under the following service agreements (Application):
- 1) Thermal Energy System Service Agreement with the Partnership (Residential Strata Parcel);
 - 2) Thermal Energy System Service Agreement with the Partnership (Retail Property); and
 - 3) Thermal Energy System Service Agreement with the Partnership (Office Tower);
- H. FAES anticipates that the TGTES will be fully commissioned and in-service in early December 2014;
- I. FAES also seeks approval from the Commission to exempt the TGTES from long-term planning requirements under section 44.1 of the Act and have the TGTES subject to ongoing regulatory oversight on a complaint basis;
- J. FAES further requests that the Commission rescinds the determination, in Order C-1-13, to file an annual report for actual energy load for the TGTES and compare to the forecast load as well as showing the amount and percentage of heat load from the TELUS Data Centre and Central Heat Distribution Ltd. separately; and
- K. FAES further requests that the Commission's finding that it is not appropriate to charge any of the regulatory costs to the Thermal Energy Services Deferral Account (TESDA) be vacated pending the future TESDA proceeding.

NOW THEREFORE, the Commission determines that the Application shall be reviewed through a written hearing process and is to proceed according to the Regulatory Timetable attached as appendix A to this order.

DATED at the City of Vancouver, In the Province of British Columbia, this 7th day of November, 2014.

BY ORDER

Original signed by:

D. M. Morton
Panel Chair / Commissioner

An Application by FortisBC Alternative Energy Services Inc.
for Approval of the Rate Design and Rates Established in Agreements
for Thermal Energy Services for the TELUS Garden Development

REGULATORY TIMETABLE

ACTION	DATE (2014)
Intervener Registration	Friday, November 14
BCUC and Intervener Information Request No. 1	Friday, November 14
FAES Response to Information Request No. 1	Friday, November 21
FAES Final Submission (if required)	Tuesday, November 25
Intervener Final Submission (if required)	Friday, November 28
FAES Reply Submission (if required)	Tuesday, December 2