

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-98-15**

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

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

and

Creative Energy Vancouver Platforms Inc.
2015-2017 Revenue Requirements Application

BEFORE: L. A. O'Hara, Commissioner
I. F. MacPhail, Commissioner June 9, 2015

O R D E R

WHEREAS:

- A. On November 28, 2014, Creative Energy Vancouver Platforms Inc. (Creative Energy) filed its 2015-2017 Revenue Requirements Application (Application) with the British Columbia Utilities Commission (Commission) seeking among other things, approval to increase its rates by 13.5% in 2015, 1.0% in 2016 and 1.6% in 2017. The 2015 rate increase was later amended to 13.3% by Creative Energy. The variance between the approved 2015 interim and final Steam Tariff rates was proposed to be refunded or collected from customers following the approval of 2015 final rates;
- B. The Commission established a written process for review of the Application in Order G-198-14, and further amended the regulatory timetable in Orders G-33-15 and G-56-15;
- C. An interim rate increase of 7.9% effective January 1, 2015, was approved in Order G-198-14, on an interim and refundable basis;
- D. Creative Energy filed an Evidentiary Update on February 27, 2015, which included a summary of corrections and adjustments impacting the rate increases sought. Further corrections and adjustments were provided in Creative Energy's responses to Information Requests by the Commission;
- E. On April 27, 2015, Creative Energy filed its Final Submission to the Commission. Intervener's Final Submissions were received on May 4, 2015, followed by Creative Energy's Reply Submission on May 11, 2015; and
- F. The Commission has reviewed and considered all of the evidence filed in this proceeding and finds that the following approvals are warranted.

NOW THEREFORE the Commission orders as follows:

1. Pursuant to sections 59 to 60 of the *Utilities Commission Act* (the UCA), the Commission grants approval of the following for Creative Energy Vancouver Platforms Inc. (Creative Energy):
 - a. The final delivery rates for all steam customers effective January 1, 2015, are approved subject to the filing of the adjustments to the 2015 revenue requirements as outlined in the Decision.
 - b. The difference between the interim rates and final rates is to be collected from customers by way of a one-time bill adjustment for each customer based on each customer's consumption during the interim period. Alternatively, Creative Energy is to propose different options for the recovery of the difference between the 2015 interim rates and the final rates in its Compliance Filing.
 - c. The recovery in rates of the regulatory (pension) transitional adjustment of \$301,177;
 - d. The creation and/or amortization of the following deferral accounts:
 - i. "GCOC Deferral Account 2013/2014" with a balance of \$333,012 to be amortized over two years commencing in 2016, with a weighted average cost of capital carrying cost. Once the balance is fully amortized the deferral account is to be closed;
 - ii. "Regulatory Transitional Adjustment Deferral Account" to recover the one time regulatory (pension) transitional adjustment of \$301,177. The deferral account is to be amortized over three years commencing in 2016 with a weighted average cost of debt carrying cost. Once the balance is fully amortized the deferral account is to be closed;
 - iii. "Pension Expense Deferral Account" to capture the annual variance between the forecast Pension Expenses recovered in rates and the pension expense reported in financial statements. The balance is to be amortized over one year with a carrying cost equal to Creative Energy's short term debt rate.
 - e. The Commission makes no determination on the proposed "NEFC Cost Allocation" deferral account for the reasons set out in this Decision.
 - f. The inclusion in rate base of the mid-year After-tax Pension Asset, calculated in future years in accordance with the determinations made in the Decision. The mid-year After-tax Pension Asset for 2015 is calculated as \$414,012.
 - g. Creative Energy must apply its weighted average cost of debt to the most current balance of its Fuel Cost Stabilization Account. The resulting interest cost (customer credit) shall be treated as a revenue-offset to the 2015 revenue requirements.

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-98-15

3

2. Pursuant section 44.2(3) of the UCA, the Commission approves the capital expenditures and projects for 2015.
3. Pursuant to section 44.1 of the UCA, Creative Energy must file a long-term resource plan (LTRP) regarding the existing steam utility no later than two years from the date of this Decision. The LTRP shall include information available from the fuel switch feasibility study.
4. Creative Energy is directed to comply with all other directives identified in this Decision.
5. Creative Energy shall submit a compliance filing to the Commission, within 20 business days from the date of this Decision, which will include all updated and corrected financial schedules reflecting the various directives contained in the Decision.
6. Pursuant to section 61 of the UCA, the Commission will accept for filing the revised rate schedules reflecting these adjustments.

DATED at the City of Vancouver, in the Province of British Columbia, this 9th day of June 2015.

BY ORDER

Original signed by:

L. A. O'Hara
Commissioner