



**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER G-131-15**

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

and

**an Application by Templeton Designer Outlet Centre Limited Partnership
for Exemption Pursuant to Section 88(3) of the *Utilities Commission Act*,
for its Proposed Supply of Electricity at
McArthurGlen Designer Outlet Vancouver Airport**

BEFORE: L. A. O'Hara, Commissioner

August 4, 2015

O R D E R

WHEREAS:

- A. On October 7, 2014, McMillan LLP (McMillan), on behalf of Templeton Designer Outlet Centre Limited Partnership (Templeton LP), pursuant to section 88(3) of the *Utilities Commission Act* (UCA), filed its application with the British Columbia Utilities Commission (Commission) for an exemption from certain sections in Part 3 of the UCA for its proposed supply of electricity at its Regional Outlet Centre in development at Vancouver International Airport in Richmond, British Columbia (Application) to be known as McArthurGlen Designer Outlet Vancouver Airport (Outlet Centre);
- B. Templeton LP is a limited partnership formed under the laws of British Columbia between Vancouver Airport Authority and MGE Designer Outlet Vancouver ULC, an affiliate of McArthurGlen Group, to own and operate the Outlet Centre;
- C. The Outlet Centre will be constructed in two phases. The first phase comprises approximately 240,000 square feet of commercial space and includes 85 rental units, the majority of which will be less than 2,000 square feet. The second phase will comprise an additional 140,000 square feet of commercial space. The facility includes a parking lot that will accommodate 2,500 vehicles;
- D. Templeton LP will enter into leases with various commercial lessees (Lessees) and many of the Lessees will have lease agreements with Templeton LP for a term of more than five years. A tenant as defined by the UCA does not include a lessee for a term of more than five years, and therefore, Templeton LP is by definition of the UCA a public utility;

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- E. Templeton LP is required to enter into an Agreement for Resale of Electricity with British Columbia Power and Hydro Authority (BC Hydro);
- F. Templeton LP proposes to resell electricity to its Lessees using a rate setting mechanism whereby the selling price will not exceed the price which BC Hydro would have charged, if the Lessee were a customer of BC Hydro (Rate Cap). This Rate Cap is in accordance with the provisions of BC Hydro Electric Tariff Section 9.2 – Resale of Electricity. The proposed rate setting mechanism and the Rate Cap are explained within the lease agreements to be signed by Lessees;
- G. Templeton LP proposes that if it is exempted from certain provisions within Part 3 of the UCA such that it is able to supply electricity to the Lessees on a non-metered basis, the costs of installing meters will be avoided;
- H. By letter dated November 17, 2014, Templeton LP responded to the Commission's request for information;
- I. By letter dated November 17, 2014, BC Hydro responded to the Commission's request for information;
- J. Section 88(3) of the UCA provides that the Commission may, on conditions it considers advisable, with the advance approval of the Lieutenant Governor in Council (LGIC), exempt a person, equipment or facilities from the application of all or any of the provisions of the UCA;
- K. The Commission has considered the Application and is satisfied that it is appropriate to issue an order, under section 88(3) of the UCA exempting Templeton LP and its Lessees who do not resell electricity from the requirements of section 71 and Templeton LP from the requirements of Part 3 except for sections 25, 38, 41 and 42.
- L. By Order in Council No. 454 dated July 27, 2015, and attached as Appendix A to this order, the LGIC granted advance approval to the Commission for the exemptions for the purpose of and subject to the terms set out in the draft Commission order attached to the Order in Council.

NOW THEREFORE the Commission orders as follows:

- 1. Pursuant to section 88(3) of the *Utilities Commission Act* (UCA), the Commission, having been granted advance approval by the Lieutenant Governor in Council (LGIC), effective the date of this order:
 - a. exempts from Part 3 of the UCA except for sections 25, 38, 41 and 42, Templeton LP for the purpose of resale of electricity to its Lessees at the Regional Designer Outlet Centre located at Vancouver International Airport in Richmond, British Columbia (Outlet Centre) for the facilities identified on the site plan and in the Application;
 - b. exempts from section 71 of the UCA, Templeton LP and its Lessees provided that the Lessees are not reselling electricity; and

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- c. the exemptions are subject to the conditions contained in directives 2 and 3.
2. Pursuant to section 83 of the UCA, the exemption of Templeton LP referred to in Directive 1 of this order remains in effect for Templeton LP until the Commission, after a hearing on its own motion or after a hearing on a complaint by an interested person for which sufficient notice has been given to the persons the Commission believes may be affected, orders that the exemption no longer applies.
 3. Templeton LP is to comply with the BC Hydro Electric Tariff and Terms and Conditions for the Resale of Electricity and to charge its Lessees in accordance with its Rate Cap proposal as described in Recital F.
 4. Templeton LP shall construct, operate and maintain its facilities referred to in directive 1 to ensure safe, reliable and adequate service.
 5. Pursuant to section 117 of the UCA, Templeton LP is directed to pay fees to the Commission in the amounts that the Commission determines are required to defray costs associated with the regulation of Templeton LP's facilities.

DATED at the City of Vancouver, in the Province of British Columbia, this 4th day of August 2015.

BY ORDER

Original signed by:

L. A. O'Hara
Commissioner