



ORDER NUMBER
G-275-19

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

and

FortisBC Alternative Energy Services Inc.
Annual Affiliate Charges Report through Transfer Pricing Policy for Thermal Energy Service
to Delta School District Number 37 for the Period July 1, 2018 to June 30, 2019
Order G-71-12 Compliance Filing

BEFORE:

B. A. Magnan, Commissioner

on November 7, 2019

ORDER

WHEREAS:

- A. On July 26, 2019, FortisBC Alternative Energy Services Inc. (FAES) filed a compliance filing with the British Columbia Utilities Commission (BCUC) which included an application to vary Directive 1(c) of Order G-71-12, as amended by Directive 2 of Order G-81-13. FAES is requesting to file the affiliate charges report on, or before, July 31, only if FortisBC Energy Inc. (FEI), or other related entities, incur capital and/or Operation and Maintenance (O&M) costs to provide service to FAES for the Delta School District (DSD) during the prior contract year (Application);
- B. On March 9, 2012, by Order G-31-12, the BCUC approved the Certificate of Public Convenience and Necessity for Approval of Contracts and Rate for Public Utility Service to Provide Thermal Energy Service to DSD Number 37;
- C. On June 5, 2012, the BCUC issued Order G-71-12 directing FAES to file an annual affiliate charges report detailing the actual costs incurred by FEI, or other related entities, for services provided to the DSD and charged through the Transfer Pricing Policy mechanism by June 5 of every year;
- D. On April 3, 2013, FAES filed with the BCUC its Application for the Fiscal 2013/14 Revenue Requirements and Cost of Service Rates for Thermal Energy Service to DSD Number 37 and requested approval of a change to the filing date for the annual affiliate charges report from no later than June 5 to no later than July 31 of each year, to accommodate FAES' fiscal year end;
- E. On May 23, 2013, BCUC issued Order G-81-13 directing FAES to file the annual affiliate charges report with the BCUC no later than July 31 of each year;
- F. In the Application, FAES states that the FEI capital and O&M charges have been zero for the past five years, since the 2014/15 contract year, due to the transfer of employees from FEI to FAES in January of 2014; and

- G. The BCUC has reviewed the Application and has determined a variance to Directive 1(c) of Order G-71-12, as amended by Directive 2 of Order G-81-13, is warranted.

NOW THEREFORE pursuant to sections 23 and 99 of the *Utilities Commission Act*, the BCUC orders as follows:

1. Directive 1(c) of Order G-71-12, as amended by Directive 2 of Order G-81-13, is varied as follows:
 - FAES is to file an annual affiliate charges report with the BCUC no later than July 31 of any given year, only if FEI or other related entities incur capital and/or O&M costs to provide service to FAES for the DSD during the prior contract year.
2. FAES is directed to file a summary report every five years outlining any capital and/or O&M costs FEI or other related entities incur to provide service to FAES for the DSD with the first report due July 31, 2024.

DATED at the City of Vancouver, in the Province of British Columbia, this 7th day of November 2019.

BY ORDER

Original Signed By:

B. A. Magnan
Commissioner