



**ORDER NUMBER
G-1-23**

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

and

Creative Energy Mount Pleasant Limited Partnership
Application for Rates for the Mount Pleasant District Cooling
System
Compliance Filing of Regulatory Schedules in Accordance with Order G-242-22

BEFORE:

T. A. Loski, Commissioner

on January 4, 2023

ORDER

WHEREAS:

- A. On February 1, 2021, Creative Energy Mount Pleasant Limited Partnership (CEMP) filed an application with the British Columbia Utilities Commission (BCUC) pursuant to sections 58 to 60 and 90 of the *Utilities Commission Act* (UCA) and section 15 of the *Administrative Tribunals Act* for approval on an interim and refundable basis of rates for a three-year period, effective February 1, 2021 to December 31, 2023 (Current Rate-Setting Period) for its provision of cooling service to the Main Alley Development, amongst other things (Application);
- B. CEMP requested, among other things, approval for the following:
- A levelized fixed capacity charge [\$/kilowatt (kW)] for the Current Rate-Setting Period to recover capital and fixed operating costs (Capacity Charge);
 - A variable charge [\$/megawatt-hour] to recover the actual water and electricity costs on a flow-through basis (Variable Charge); and
 - The establishment of a Revenue Deficiency Deferral Account (RDDA) attracting interest at CEMP's weighted average cost of capital to record revenue shortfalls during the initial years of service to be recovered through levelized rate increases over time;
- C. By Order G-46-21 dated February 18, 2021, the BCUC approved, among other things, the establishment of an RDDA, as well as the Capacity Charge and Variable Charge on an interim and refundable/recoverable basis, effective February 1, 2021;
- D. By Order G-242-22, dated August 22, 2022, and the accompanying decision the BCUC approved, among other things, the continued use of the RDDA as well as the Capacity Charge and Variable Charge on a

permanent basis subject to the directives and determinations in the decision (Decision). The Decision also directed CEMP to re-calculate its revenue requirements and rates for the Current Rate-Setting Period, subject to the adjustments resulting from the directives and determinations contained in the order and the Decision issued concurrently, and to file a revised rate model and permanent rates sheets with the BCUC for endorsement within 15 days of the date of the Participant Assistance/Cost Award order for the proceeding (Compliance Filing);

- E. On October 19, 2022, the BCUC granted CEMP's request for an extension to file its Compliance Filing;
- F. On December 2, 2022, CEMP filed its Compliance Filing and noted that the chiller replacement had been delayed due to equipment procurement related issues and the replacement is expected to be completed in early 2023. Accordingly, CEMP removed the associated costs for the chiller replacement from the Current Rate-Setting Period and stated that the costs would be reflected in the next rate-setting period, effective, January 1, 2024.
- G. The BCUC reviewed the Compliance Filing and considers that a variance to the directives in section 2.1.2 and summarized in section 5.0 of the Decision accompanying Order G-242-22 is warranted.

NOW THEREFORE pursuant to section 99 of the UCA, the BCUC orders as follows:

1. The directives contained in Section 2.1.2 and summarized in Section 5.0 of the Decision accompanying Order G-242-22 are varied to read:

[T]he Panel approves CEMP to recover in rates the cost of the assets entering service in the Current Rate-Setting Period, specifically, costs to connect building M2 and accepts that the costs to replace the existing 350-ton chiller with the new 325-ton chiller will be reflected in the next rate-setting period, effective January 1, 2024.

[T]he Panel directs CEMP to re-calculate the levelized fixed capacity charge based on the Phase 1 actual costs to connect building M2 going into service during the Current Rate-Setting Period, as approved above, in a compliance filing within 15 days of the date of the Participant Assistance/Cost Award (PACA) order for this proceeding.

DATED at the City of Vancouver, in the Province of British Columbia, this 4th day of January 2023.

BY ORDER

Original signed by:

T. A. Loski
Commissioner