



ORDER NUMBER
G-174-23

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

and

Shannon Estates Utility Ltd.
Energy Costs Deferral Account Rate Rider

BEFORE:

B. A. Magnan, Panel Chair
E. B. Lockhart, Commissioner

on July 6, 2023

ORDER

WHEREAS:

- A. On May 11, 2023, Shannon Estates Utility Ltd. (SEUL) applied to the British Columbia Utilities Commission (BCUC) for approval of a rate rider effective August 1, 2023 to January 31, 2024 to recover cost variances arising from differences between forecast unit energy costs and actual unit energy costs for electricity and natural gas, as well as a shortfall in the rate rider from August 1, 2022, to January 31, 2023, which have accumulated in its Energy Costs Deferral Account (ECDA) (altogether, the Application);
- B. By Decision and Order G-36-21 dated February 2, 2021, the BCUC approved a 10-year levelized rate structure, effective January 1, 2021, for the SEUL Thermal Energy System. The BCUC approved an equal rate increase for fixed and variable charges for Year 1 of the approved 10-year levelized rate structure and rate increase on a levelized basis as follows:
- Years 2-3 (F2023-F2024) +1.5%/year;
 - Year 4 (F2025) +2.0%/year;
 - Year 5-6 (F2026-F2027) +2.5%/year;
 - Years 7-10 (F2028-F2031) +3.0%/year;
- C. Also by Decision and Order G-36-21, the BCUC approved SEUL to establish the ECDA to capture forecast variances in electricity and natural gas expenses and use a rate rider mechanism to recover any variances in SEUL's energy expenses;
- D. By Order G-202-22, the BCUC approved an ECDA rate rider of \$0.02/kWh for the period August 1, 2022 to January 31, 2023;

- E. On June 26, 2023, SEUL filed its response to BCUC Staff Questions and provided an update to its application to revise the ECDA balance and rate rider calculation;
- F. The balance of the ECDA as at January 31, 2023 was a deficit of \$103,010. SEUL states that the balance is primarily a result of an increase in the unit cost of natural gas, as approved by the BCUC for SEUL's gas supplier, FortisBC Energy Inc., as well as a shortfall in the rate rider from August 1, 2022, to January 31, 2023, for the ECDA balance from Year 2;
- G. SEUL seeks approval to apply a rate rider of \$0.037/kWh to the energy charge (space cooling, space heating and domestic hot water) portion of customers' bills for the period of August 1, 2023 to January 31, 2024 to align recovery of the deficit with SEUL's financial year end; and
- H. The BCUC has reviewed SEUL's Application and considers that the proposed rate rider effective August 1, 2023 is warranted.

NOW THEREFORE pursuant to section 61(4) of the *Utilities Commission Act*, the BCUC orders the following, effective August 1, 2023:

1. SEUL is approved to apply a \$0.037/kWh rate rider to the energy charge portion of customers' bills for the period August 1, 2023 to January 31, 2024.
2. SEUL is to file amended tariff pages for endorsement with the BCUC within 15 days of this Order.
3. SEUL must notify all customers that are affected by the rate changes by way of a bill insert or bill message included with the next monthly billing.

DATED at the City of Vancouver, in the Province of British Columbia, this 6th day of July 2023.

BY ORDER

Original signed by:

B. A. Magnan
Commissioner