



ORDER NUMBER
G-358-23

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

and

Creative Energy Vancouver Platforms Inc.
2023 Revenue Requirements Application for the Core Thermal Energy System

BEFORE:

T. A. Loski, Panel Chair
A. C. Dennier, Commissioner
E. B. Lockhart, Commissioner

on December 21, 2023

ORDER

WHEREAS:

- A. On December 1, 2022, Creative Energy Vancouver Platforms Inc. (Creative Energy) filed with the British Columbia Utilities Commission (BCUC) its 2023 Revenue Requirements Application (RRA) for the thermal energy system serving downtown Vancouver (Core Steam) and Northeast False Creek (NEFC) (together, Core TES) and requested, among other things, the following:
- (i) approval of interim and permanent thermal energy service rates for the Core TES which are equivalent to an average rate of \$11.20 per thousand pounds of steam and the system contribution charge for customers connected to the NEFC system, each as set out in Appendix B to the Application, effective January 1, 2023; and
 - (ii) approval of a proposed Inter-Affiliate Conduct and Transfer Pricing Policy (IAC/TPP) filed as Appendix C to the Application (collectively, Application);
- B. On December 20, 2022, by Order G-379-22, the BCUC approved, on an interim and refundable or recoverable basis, effective January 1, 2023, the thermal energy rates as set forth in Appendix B to the Application and the same system contribution charge for customers connected to the NEFC system as approved by Order G-345-22A dated November 29, 2022 in the matter of the Creative Energy Application for Rates for the Core Steam and NEFC Systems.
- C. By Orders G-379-22, G-27-23, G-110-23, G-186-23, G-221-23 and G-286-23, the BCUC established regulatory timetable for the review of the Application, which included, among other items, notice of Application, intervener registration, BCUC and intervener information requests (IR) No. 1 and 2, Creative Energy's responses to IRs, and written final and reply arguments;

- D. Order G-110-23 included an accompanying decision relating to the proposed IAC/TPP filed as part of Appendix C to the Application, which, among other things, determined that Creative Energy has contravened certain directives from Order G-349-21 of the Creative Energy 2021 RRA for the Core Steam System (2021 IAC/TPP Decision) and directed Creative Energy to file a revised IAC/TPP addressing the determinations, directives, key findings and BCUC guidance in that decision and an evidentiary update to the 2023 Core TES revenue requirements;
- E. On June 8, 2023, pursuant to Order G-110-23, Creative Energy filed a revised proposed IAC/TPP (Revised Proposed IAC/TPP) addressing the determinations, directives, key findings and BCUC guidance in the decision accompanying Order G-110-23 and a second evidentiary update as directed, with no change to the requested thermal energy service rates;
- F. By letters dated January 27, 2023 and August 10, 2023, Creative Energy filed, among other items, evidentiary updates, amending its request for permanent approval of thermal energy service rates, effective January 1, 2023; and
- G. The BCUC has considered the Application, evidence and submissions of the parties and makes the following determinations.

NOW THEREFORE pursuant to sections 58 to 61 of the *Utilities Commission Act* and for the reasons provided in the decision issued concurrently with this order, the BCUC orders as follows:

1. Creative Energy's Revised Proposed IAC/TPP is approved as filed.
2. Creative Energy is approved to charge customers connected to the Core TES the average thermal energy rate of \$11.29 per thousand pounds of steam, on a permanent basis, effective January 1, 2023, subject to the directives and determinations outlined in this order and the decision issued concurrently.
3. Creative Energy is directed to maintain the system contribution charge of \$10.60 per MWh of thermal energy for customers connected to the NEFC system as approved by Order G-379-22, on a permanent basis, effective January 1, 2023.
4. Creative Energy is directed to:
 - (i) cease recording additions to the COVID-19 deferral account for the Core Steam system (Core COVID-19 Deferral Account), effective December 31, 2022;
 - (ii) apply the December 31, 2022 credit balance of the Core COVID-19 Deferral Account to the 2023 forecast revenue requirements to reduce the 2023 revenue deficiency; and
 - (iii) close and cease reporting on the Core COVID-19 Deferral Account, effective December 31, 2023.
5. Creative Energy is approved to establish a new Load Forecast Variance Account, on an ongoing basis, to record the variance between forecast and actual load, effective January 1, 2023 and accruing interest at Creative Energy's weighted average cost of debt. Creative Energy is directed to include in each future RRA the proposed amortization period, with supporting rationale, for the previous year's load variance.
6. Creative Energy is denied the recovery from ratepayers of \$65,000 in bad debt expense related to the Avalon Hotel included in the 2023 forecast revenue requirements.

7. Creative Energy is approved to establish a new 2023 Refinancing Cost Deferral Account (2023 RCDA), to record the Core TES' portion of refinancing costs of \$420,992, with a three-year amortization period and accruing interest at Creative Energy's weighed average cost of debt.
8. Creative Energy is directed to re-calculate its revenue requirements and rates for the Core Steam and NEFC systems, effective January 1, 2023, subject to the adjustments resulting from the directives and determinations contained in this order and the decision issued concurrently, and to file revised financial schedules and revised tariff pages with the BCUC for endorsement within 45 days of the date of this order.
9. Creative Energy is directed to refund to or recover from ratepayers the difference between the interim and permanent rates with interest at Creative Energy's weighted average cost of debt in the next billing cycle following the BCUC's acceptance of the final compliance filing filed in accordance with directive 8 of this order.
10. Creative Energy is directed to comply with all other directives and determinations outlined in the decision issued concurrently with this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 21st day of December 2023.

BY ORDER

Original signed by:

T. A. Loski
Commissioner