



**ORDER NUMBER
G-343-24**

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

and

Creative Energy Vancouver Platforms Inc.
Butterfly Project Terms of Service and Interim Rates

BEFORE:

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

on December 17, 2024

ORDER

WHEREAS:

- A. On October 10, 2024, Creative Energy Vancouver Platforms Inc. (Creative Energy) filed with the British Columbia Utilities Commission (BCUC) an application for a system extension to provide building heat and domestic hot water to three premises at the Butterfly Development in Vancouver (Application). The approvals sought are as follows:
- (i) Thermal energy service rates for all three premises at the Butterfly Development, on an interim basis, effective November 1, 2024; and
 - (ii) Separate amended terms of service for each of the three premises at the Butterfly Development, on a permanent basis, effective November 1, 2024, including the following financial contributions:
 - a. Fixed connection charges of \$514,960 and \$96,420 for the two premises owned by the First Baptist Church of Vancouver; and
 - b. Fixed monthly connection charge of \$9,516 over a 30-year term for the premises owned by Nelson Burrard Holdings Inc.
- B. The Butterfly Development is adjacent to Creative Energy's Core Thermal Energy System (Core TES) and connected through a steam-to-hot water station that allows for thermal energy distribution to each premise through a hot water medium;
- C. Creative Energy submits that its extension policy requires a financial contribution from customers if the net present value of incremental extension costs exceeds the net present value of forecast incremental revenue over the contracted period, to ensure the fair allocation of costs;
- D. Creative Energy intends to seek permanent approval of the thermal energy service rates for the Butterfly Development as part of its 2025 Revenue Requirements Application for the Core TES;

- E. By Order G-291-24, the BCUC directed Creative Energy to file supplemental information by December 1, 2024, including an invitation for Creative Energy to refile the amended terms of service for each of the three premises;
- F. By letter dated, November 26, 2024, and following a request from Creative Energy, the BCUC amended the deadline for filing both the supplemental information and the invitation to file the amended terms of service to December 13, 2024;
- G. On November 29, 2024 the BCUC issued its final decision and Order G-321-24 in the Generic Cost of Capital Stage 2 proceeding. The proceeding approved, among other things, permanent rates for Creative Energy's Core TES on a permanent basis effective January 1, 2024;
- H. On December 9, 2024, Creative Energy filed the supplementary information required by Order G-291-24 including amended terms of service for the three premises at the Butterfly Development; and
- I. The BCUC has considered the evidence and makes the following determinations.

NOW THEREFORE for the reasons outlined in the decision accompanying this order, the BCUC orders as follows:

1. Creative Energy is approved on an interim and refundable/recoverable basis, effective November 1, 2024, to charge customers of the Butterfly Development the applicable rates for the hot water distribution network served by the Core TES as approved by Order G-321-24.
2. The amended terms of service for each of the premises at the Butterfly Development, including the fixed connection charges for the two premises owned by the First Baptist Church of Vancouver and the monthly connection charge for the premises owned by Nelson Burrard Holdings Inc., are approved on an interim and refundable/recoverable basis, effective November 1, 2024.
3. Creative Energy is directed to apply for permanent approval of the rates and terms of service, including connection charges, for the Butterfly Development as part of its 2025 Revenue Requirements Application for the Core TES.
4. Creative Energy is directed to file the supplemental information outlined in this decision as an evidentiary update to its 2025 Revenue Requirements Application for the Core TES by January 15, 2025.
5. Creative Energy is directed to create a separate interim tariff page applicable only to customers at the Butterfly Development for the rates effective November 1 to December 31, 2024, and to file these tariff pages and the terms of service for BCUC endorsement by January 15, 2025.

DATED at the City of Vancouver, in the Province of British Columbia, this 17th day of December 2024.

BY ORDER

Electronically signed by Blair Lockhart

E. B. Lockhart
Commissioner

Creative Energy Vancouver Platforms Inc.
Butterfly Project Terms of Service and Interim Rates

DECISION

On October 10, 2024, Creative Energy Vancouver Platforms Inc. (Creative Energy) filed with the British Columbia Utilities Commission (BCUC) an application seeking approval for a system extension to provide building heat and domestic hot water to three premises at the Butterfly Development in Vancouver (Application).¹ The Butterfly Development is adjacent to Creative Energy's Core Thermal Energy System (Core TES), and is connected through a steam-to-hot-water station tied into the existing steam main at Burrard and Nelson Streets. The development includes a 57-story residential tower owned by Nelson Burrard Holding Inc., and two premises owned by the First Baptist Church of Vancouver: a 7-story residential rental building and the church itself.²

On December 9, 2024, Creative Energy filed supplementary information, including amended terms of service for the three premises at the Butterfly Development.

During the proceeding Creative Energy clarified that it is seeking the following approvals:³

- a. Thermal energy service rates for all three premises at the Butterfly Development on an interim basis, effective November 1, 2024; and
- b. Separate amended terms of service for each of the three premises at the Butterfly Development, on a permanent basis, effective November 1, 2024, including a financial contribution in the form of the following:
 - (i) fixed connection charges of \$514,960 and \$96,420 for the two premises owned by the First Baptist Church of Vancouver; and
 - (ii) a fixed monthly connection charge of \$9,516 over a 30-year term for the premises owned by Nelson Burrard Holdings Inc.

The Panel determination addresses the proposed amended terms of service for each of the premises at the Butterfly Development.

Panel Determination

The Panel acknowledges that Creative Energy has requested permanent approval of the terms of service, including connection charges, for customers at the Butterfly Development. However, further evidence is required to support permanent approval, specifically related to the calculation of the connection charges, including underlying assumptions, in addition to the details of amounts owed by the customers in the event of termination.

The Panel finds that it is appropriate and efficient to address permanent approval of the terms of service for the Butterfly Development, including the connection charges, as part of the 2025 Revenue Requirements Application for the Core TES, which is expected to be filed in December 2024. The permanent rates for the Butterfly Development will also be addressed as part of that application, as requested by Creative Energy.

¹ Exhibit B-1, p. 1.

² Exhibit B-1, p. 2; Butterfly Project Summary, Section 2.2, pp. 3–4

³ Exhibit B-3, p. 5.

For the reasons noted above, permanent approval of the amended terms of service and associated connection charges for the Butterfly Development is not granted at this time. **The amended terms of service for each of the premises at the Butterfly Development, including the fixed connection charges for the two premises owned by the First Baptist Church of Vancouver and the monthly connection charge for the premise owned by Nelson Burrard Holdings Inc. are approved on an interim and refundable/recoverable basis, effective November 1, 2024.**

Creative Energy is directed to file the following supplemental information as an evidentiary update to its 2025 Revenue Requirements Application for the Core TES by January 15, 2025:

- Detailed supporting calculations for the “Core Steam Pricing” and “Low Carbon Pricing” inputs used in the system extension test filed with the Application, including an explanation of the assumptions underlying these calculations.
- The undepreciated capital cost for the items listed in Schedule A of each of the amended terms of service for the Butterfly Development, and an explanation for why these specific cost amounts are not included in the terms of service.

DATED at the City of Vancouver, in the Province of British Columbia, this 17th day of December 2024.

Electronically signed by Blair Lockhart

E. B. Lockhart
Panel Chair

Electronically signed by Ana Dennier

A. C. Dennier
Commissioner