SIXTH FLOOR, 900 HOWE STREET, BOX 250
VANCOUVER, BC V6Z 2N3 CANADA
web site: http://www.bcuc.com

**BRITISH COLUMBIA
UTILITIES COMMISSION**

**ORDER
NUMBER** G-188-13

TELEPHONE: (604) 660-4700
BC TOLL FREE: 1-800-663-1385
FACSIMILE: (604) 660-1102

IN THE MATTER OF
the Utilities Commission Act, R.S.B.C. 1996, Chapter 473

and

FortisBC Alternative Energy Services Inc.
An Application for Interim Approval on Rates Established in Agreement
for Thermal Energy Services in Four Specific Projects

BEFORE: D. Morton, Commissioner November 20, 2013

O R D E R

WHEREAS:

A. On May 29, 2013, FortisBC Alternative Energy Services Inc. (FAES) applied to the British Columbia Utilities Commission (Commission) for approval of interim rates for four Thermal Energy Services (TES) projects: Glen Valley, Brant, Camden Green, and Helen Gorman (Application). The proposed rates for thermal energy services were established in four agreements (Service Agreements) signed between FAES and the customers;

B. In review of the Applications, the Commission issued Information Requests (IRs) to FAES on June 21, 2013;

C. On July 8, 2013, FAES responded to the IRs and stated, amongst various responses, that:

- the Service Agreements for the four TES projects do not contain any re-openers or provisions to allow the flow through of additional costs to the customers, other than changes in taxes. FAES does not plan to change the rate from that which is set out in the Service Agreements other than for specified inflationary adjustments;
- the impact of any future Commission decisions on transfer pricing policy or generic cost of capital issues, as well as any extraordinary or unforeseen costs with regards to the loop field systems will be borne by FAES or its shareholders;
- it proposed to remove $240 thousand of costs from its Thermal Energy Services Deferral Account (to account for the total development costs for these four projects), and record all four projects in separate accounts for which FAES shareholders will assume any over or under collection of revenues over the terms of the contracts;

E. On August 27, 2013, FAES filed an addendum to the Application which included a request, among other things, for approval of permanent rates for the four projects in the Application;

F. The Commission issued Order G-140-13A on September 5, 2013 which approved the interim rates as applied for by FAES and ordered certain customer disclosure conditions to be met by September 30, 2013. The Commission also provided for any customer comments to be filed by October 31, 2013;

G. The Commission has reviewed the Application and confirms that FAES has complied with the disclosure conditions. The Commission determines that based on the aforementioned commitments by FAES and considering that no customer comments have been filed, the interim rates should be made permanent.

NOW THEREFORE, pursuant to sections 59 to 61 of the *Utilities Commission Act*:

1. The rates as filed in the Application are approved on a permanent basis.

2. FAES is directed to remove $240 thousand of development costs from its Thermal Energy Services Deferral Account and record the four projects in separate accounts for tracking purposes. Any over or under collection of revenues over the terms of the contract shall accrue to its shareholders.

3. FAES is directed to file Rate Schedules with the Commission for the four projects within 30 calendar days of this Order.

4. The four agreements, included as appendices in the Application, are accepted for filing.

DATED at the City of Vancouver, in the Province of British Columbia, this 20th day of November, 2013.

BY ORDER

Original Signed By:

D. Morton
Commissioner