

**ORDER NUMBER
G-167-16**

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

and

Creative Energy Vancouver Platforms Inc.
2016-2017 Revenue Requirements Application
and Rate Design for NEFC Hot Water Service

BEFORE:

D. A. Cote, Commissioner/Panel Chair
W. M. Everett, Commissioner

on November 18, 2016

ORDER

WHEREAS:

- A. On April 1, 2016, pursuant to sections 59 to 61, 89 and 90 of the *Utilities Commission Act*, Creative Energy Vancouver Platforms Inc. (Creative Energy) filed with the British Columbia Utilities Commission (Commission) its 2016-2017 Revenue Requirements Application for Steam Service (Steam Service) and Northeast False Creek Hot Water Service (NEFC Service) and Rate Design for NEFC (Application);
- B. Creative Energy seeks, among other things, the following:
 - (i) An increase in rates for Steam Service of 6.23 percent effective May 1, 2016, on a final basis, and an increase of 6.23 percent effective January 1, 2017, on an interim basis. Creative Energy requests that the revenue deficiency for the period January 1, 2016 to December 31, 2017, be smoothed out over the remaining 20 months of the two-year test period starting May 1, 2016. The Steam Service tariff consists of a Steam Rate and a Fuel Cost Adjustment Charge (FCAC);
 - (ii) Final approval for initial NEFC Service rates with a monthly fixed charge of \$0.33/m² and a variable charge of \$43 per MWh effective August 1, 2016, and interim approval for and an increase of \$0.01/m² to the monthly charge and \$0.89 to the variable charge effective January 1, 2017;
- C. By Order G-49-16 dated April 12, 2016, the Commission approved interim Steam Service rates set forth in the Application on a refundable basis effective May 1, 2016. Commission Order G-49-16 also established a written public hearing process to review the Application, and established a regulatory timetable which was further amended by Orders G-67-16 on May 12, 2016, G-70-16 on May 18, 2016 and G-92-16 on June 20, 2016;
- D. During the review of the Application Creative Energy updated the 2016 and 2017 Steam and the NEFC Service's revenue requirements, and amended the 2017 Steam Rate increase from 6.23 percent to 7.15 percent;
- E. The Commission has considered the Application, evidence and submissions of the parties.

NOW THEREFORE pursuant to sections 59 to 61 and 89 to 90 of the *Utilities Commission Act* and for the reasons set out in the Decision issued concurrently with this order, the British Columbia Utilities Commission orders as follows:

Steam Service

1. Creative Energy Vancouver Platforms Inc.'s (Creative Energy) request for a permanent Steam Service rate increase of 6.23 percent effective May 1, 2016, based on Creative Energy's rate smoothing approach to recovery or refund a portion of the 2016 revenue deficiency in 2017 is approved, subject to the adjustments outlined in the Decision issued concurrently with this order.
2. The Commission denies the recovery of the 2016 revenue deficiency from January 1 to March 31, 2016, representing the period prior to Creative Energy filing the 2016-2017 Revenue Requirements Application (Application) on April 1, 2016.
3. Creative Energy's request to file an updated 2017 load forecast prior to setting permanent Steam Service rates for 2017 is approved.
4. Creative Energy's request to set Steam Service rates effective January 1, 2017 on an interim and refundable basis is approved, pending the Commission's review of the updated 2017 load forecast; however, the request for an interim increase of 7.15 percent is denied.
5. On an annual basis, effective January 1, 2017, Creative Energy requires the Commission's approval for the Fuel Cost Adjustment Charge (FCAC) calculated as set out in section 4.2.3 of the Decision.
6. Effective January 1, 2017, Creative Energy's Fuel Cost Stabilization Account (FCSA) must be accounted for in accordance with the details as outlined in section 4.2.3 of the Decision;
7. Effective January 1, 2017, the FCAC is set at \$9.92 per M# on an interim and refundable basis, pending the Commission's review of the updated 2017 load forecast.
8. Creative Energy's request to establish a new regulatory account for certain third party regulatory costs is approved with the conditions and requirements as set out section 4.5 of the Decision.
9. The Commission accepts the capital expenditures schedule for 2016 and 2017 pursuant to section 44.2(3) of the UCA.
10. Creative Energy must re-calculate the 2016 and 2017 Steam Service revenue requirements reflecting the adjustments outlined in the attached Decision and the updated 2017 load forecast in a compliance filing to be made no later than December 30, 2016, in the format set out in section 4.9.3 of the attached Decision.
11. Creative Energy must file a cost allocation study addressing allocations among Steam Service, North East False Creek (NEFC) Service and Creative Energy's other projects no later than the date of its next Steam Service or NEFC Service revenue requirements application.
12. Creative Energy is relieved of the requirement to file a capitalized overhead study as directed by the Commission in the Decision accompanying Order G-98-15.

North East False Creek Service

13. The Commission approves the NEFC revenue requirements for both 2016 and 2017 as set out in the Application subject to the adjustments outlined in the Decision issued concurrently with this order.
14. Creative Energy's request for NEFC's rates to be based on a 50 percent fixed and a 50 percent variable rate design is denied. Creative Energy is directed to have a 40 percent fixed and 60 percent variable rate design for its NEFC Service.
15. Creative Energy is directed to charge NEFC for steam in the same manner as it charges all other Steam Service customers, including application of the FCAC.
16. The NEFC Revenue Deficiency Deferral Account (RDDA) approved pursuant to Order C-12-15 is to be accounted for in the manner as set out in section 5.6 of the Decision. Once the account is fully amortized it must be closed.
17. Creative Energy is approved to establish a Variance Deferral Account in the manner as set out in section 5.6.2 of the Decision.
18. Creative Energy must re-calculate the 2016 and 2017 NEFC revenue requirements reflecting the adjustments outlined in the accompanying Decision in a compliance filing to be made no later than December 30, 2016, in the format set out in section 5.8.3 of the accompanying Decision.
19. The Commission approves permanent NEFC Rates for 2016 and 2017 as set out in the Application subject to the adjustments outlined in this Decision, effective the date the Commission approves the Terms and Conditions for NEFC on an interim or permanent basis.
20. Pursuant to section 61 of the UCA, the Commission will accept for filing the revised rate schedules reflecting the directives set out in this order.
21. Creative Energy is directed to comply with all directives identified in the Decision issued concurrently with this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 18th day of November, 2016.

BY ORDER

Original signed by:

D. A. Cote
Commissioner