



**ORDER NUMBER
G-205-18**

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

and

Creative Energy Vancouver Platforms Inc.
2018-2022 Revenue Requirements Application

BEFORE:

D. A. Cote, Panel Chair
A. K. Fung, QC, Commissioner

on October 25, 2018

ORDER

WHEREAS:

- A. On December 1, 2017, Creative Energy Vancouver Platforms Inc. (Creative Energy) filed its 2018-2022 revenue requirements application with the British Columbia Utilities Commission (BCUC) seeking, among other things, approval of a multi-year index based ratemaking mechanism to be applied to setting steam rates for the years 2018-2022, including interim and final approval to increase steam rates by 2.15 percent, effective January 1, 2018 (Application);
- B. By Order G-200-17 dated December 22, 2017, the BCUC approved, on an interim and refundable basis, a steam rates increase of 2.15 percent effective January 1, 2018;
- C. By Orders G-12-18, G-43-18, G-90-18 and G-129-18, the BCUC established, among other things, a written public proceeding and a regulatory timetable for the review of the Application, which included: Creative Energy filing additional information as directed in Appendix C to Order G-12-18; two rounds of information requests (IRs) by the BCUC and interveners; and the filing of written final and reply arguments;
- D. On July 13, 2018, the BCUC issued a letter requesting that Creative Energy and interveners address two specific issues as part of the parties' final and reply arguments related to Creative Energy's recently filed application for a Certificate of Public Convenience and Necessity (CPCN) for the Expo and Beatty plants project and approvals related to reorganization (CPCN and Reorganization Application). The CPCN and Reorganization Application is being reviewed by the BCUC in a separate proceeding;
- E. On July 20, 2018, prior to the filing of Creative Energy's final argument, the Panel issued a round of IRs;
- F. Creative Energy submitted its final argument on July 26, 2018. Two interveners, British Columbia Old Age Pensioners' Organization *et al.* and the Commercial Energy Consumers Association of British Columbia,

submitted their final arguments on August 10, 2018. Creative Energy filed its reply argument on August 20, 2018; and

- G. The BCUC has considered the evidence and arguments filed in the proceeding and makes the following determinations.

NOW THEREFORE pursuant to sections 59 to 61 of the UCA and for the reasons provided in the decision issued concurrently with this order, the BCUC orders as follows:

1. Creative Energy's application for approval of a multi-year index based ratemaking mechanism to be applied to setting steam rates for the years 2018-2022 is denied.
2. Creative Energy is approved to establish 2018 steam rates on a permanent basis in accordance with the method and calculations directed in the decision issued concurrently with this order.
3. Creative Energy is directed to collect from/refund to customers the difference between the 2018 interim steam rates approved by Order G-200-17 and the 2018 permanent rates, with interest at the average prime rate of Creative Energy's principal bank for its most recent year, over the balance of 2018.
4. Creative Energy is directed to establish a new deferral account titled the Fuel Switch Study and LTRP Deferral Account and to transfer all costs related to the Fuel Switch Study and Long-Term Resource Plan (LTRP), net of all applicable offsetting grants, from the Third Party Regulatory Cost Deferral Account (TPRCDA) to the newly established deferral account. Creative Energy is approved to accrue a weighted average cost of debt return on the mid-year unamortized balance of the Fuel Switch Study and LTRP Deferral Account. In the event that Creative Energy does not file an updated LTRP by December 31, 2019, Creative Energy is directed to file a proposal with the BCUC no later than January 31, 2020 for reviewing the potential recovery of the balance in the Fuel Switch Study and LTRP Deferral Account.
5. Creative Energy is approved to use the Massachusetts Formula methodology to allocate Sales, General & Administrative costs between the Steam Service and Other Projects, as described in section 3.1.2.1 of the decision issued concurrently with this order.
6. Creative Energy's request to amortize the balance in the TPRCDA of \$521,098 as of December 31, 2017 is denied. Creative Energy is directed to re-calculate the ending 2017 balance in the TPRCDA based on the determinations in sections 3.1.1.1 and 4.1 of the decision issued concurrently with this order. Creative Energy is further directed to continue to apply a one-year amortization period to the TPRCDA and to accrue short-term interest on the TPRCDA balance, as approved in the Creative Energy 2016-2017 Revenue Requirements and Rate Design for Northeast False Creek Hot Water Service Application Decision (2016-2017 RRA Decision).
7. Creative Energy is directed to continue to amortize the Pension Expense Deferral Account over one year and to continue to accrue short-term interest on the mid-year unamortized balance, consistent with the BCUC's determinations in the Creative Energy 2015-2017 Revenue Requirements Application Decision.
8. Creative Energy is approved to amortize the remaining balance of the Regulatory Transitional Adjustment Deferral Account into 2018 rates and is directed to discontinue this deferral account once the balance is zero.

9. Creative Energy is directed to file for approval of the amortization period for the Fuel Cost Stabilization Account (FCSA) at the time it files the Fuel Cost Adjustment Charge (FCAC) rate change applications with the BCUC. Creative Energy is directed to file the annual Fuel Costs for approval in the Fuel Cost Adjustment compliance filings, in the format directed in the 2016-2017 RRA Decision.
10. Creative Energy is directed to file a compliance filing with the BCUC within 30 days of the date of this order in accordance with the requirements outlined in the decision issued concurrently with this order.
11. 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 25th day of October 2018.

BY ORDER

Original Signed By:

D. A. Cote
Commissioner