



**ORDER NUMBER
G-310-19**

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

and

FortisBC Alternative Energy Services Inc.
Fiscal 2019/20 Application for Cost of Service Rate for the Thermal Energy Service
to Delta School District Number 37

BEFORE:

A. K. Fung, QC, Panel Chair
W. M. Everett, QC, Commissioner

November 28, 2019

WHEREAS:

- A. On September 27, 2019, pursuant to sections 59 to 61 and 99 of the *Utilities Commission Act* (UCA), FortisBC Alternative Energy Services Inc. (FAES) applied to the British Columbia Utilities Commission (BCUC) for a variance to Order G-205-19 to charge the Delta School District No. 37 (DSD) a one-time repayment equal to the June 30, 2019 District Deferral Account (DDA) balance of \$5.026 million, plus three months interest of \$74 thousand. FAES also requested approval to charge the DSD a new Cost of Service (COS) Rate effective July 1, 2019, equal to \$0.186/kWh to reflect the absence of a DDA amortization expense in the Annual COS for Fiscal 2019/20 and the adjustments to the DDA, as directed by Order G-205-19 (Application);
- B. On May 10, 2019, pursuant to sections 59 to 61 and 89 of the UCA, FAES applied to the BCUC for approval of the Fiscal 2019/20 COS Rate of \$0.271 per kWh, effective July 1, 2019, based on FAES' Forecast Annual COS, including amortization of the DDA balance for the thermal energy service provided by FAES to the DSD;
- C. By Order G-115-19 dated May 29, 2019, the BCUC approved the Fiscal 2019/20 COS Rate of \$0.271/kWh on an interim basis, effective July 1, 2019, with any variance between the interim rate and the permanent rate subject to refund/recovery, with interest at the average prime rate of FAES' principal bank for its most recent year;
- D. By Order G-205-19, the BCUC approved the COS Rate, on a permanent basis, effective July 1, 2019, for the fiscal and contract year from July 1, 2019 to June 30, 2020, subject to the adjustments outlined in the reasons for decision attached to the Order;
- E. As part of the Application, and in compliance with Directive 2 of Order G-205-19, FAES filed with the BCUC a revised financial schedule updated for the impacts of the adjustments as outlined in the reasons for decision attached to the Order. FAES also requested a variance to Order G-205-19 to account for a change in circumstances resulting from the DSD's request to pay out the June 30, 2019 balance in the DDA plus carrying charges, until the payment is made on September 30, 2019;

- F. FAES and the DSD have agreed to propose a calculation of the COS Rate, effective July 1, 2019, without including any DDA amortization;
- G. By letter dated October 29, 2019, the BCUC requested additional information from FAES. FAES provided the requested information on November 21, 2019 (Supplemental Information);
- H. The Supplemental Information shows that FAES and DSD have mutually agreed to the terms and conditions presented in the Application as amended to include interest charges of \$99 thousand to reflect the four-month period from July 1 to October 31, 2019; and
- I. The BCUC has reviewed the Application and the Supplemental Information and considers that approval of the Application as amended is warranted.

NOW THEREFORE pursuant to sections 59 to 61 and 99 of the UCA, the BCUC orders as follows:

1. Order G-205-19 is varied to approve FAES' request to charge the DSD a one-time repayment, on October 31, 2019, equal to the June 30, 2019 DDA balance of \$5.026 million, plus four months interest of \$99 thousand.
2. FAES is approved to charge the DSD a COS Rate equal to \$0.186/kWh, effective July 1, 2019 to June 30, 2020, on a permanent basis, to reflect the absence of a DDA amortization expense in the Annual COS for 2019/20.
3. FAES is approved to treat the difference between the interim rate and permanent rate as a bill adjustment, including interest at the average prime rate of FAES' principal bank for its most recent year, on the next DSD monthly bill, consistent with Order G-115-19.

DATED at the City of Vancouver, in the Province of British Columbia, this 28th day of November 2019.

BY ORDER

Original signed by:

A. K. Fung, QC
Commissioner