



**ORDER NUMBER
G-327-20**

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

and

Shannon Estates Utility Ltd.
Levelized Rate Application for the Shannon Estates Thermal Energy System

BEFORE:

T. A. Loski, Panel Chair
K. A. Keilty, Commissioner
B. A. Magnan, Commissioner

on December 11, 2020

ORDER

WHEREAS:

- A. On June 30, 2020, Shannon Estates Utility Ltd. (SEUL) filed an application with the British Columbia Utilities Commission (BCUC) for approval of rates for the Shannon Estates Thermal Energy System (SETES) effective January 1, 2021 (Application);
- B. In the Application, SEUL is requesting final approval of rates for the SETES for a ten-year period effective January 1, 2021, as well as the continuation of the Regulatory Deferral Account and the Revenue Deficiency/Surplus Deferral Account. SEUL is also requesting approval to establish an Unplanned Sustainment Capital and Maintenance Deferral Account, an Energy Costs Deferral Account, and associated rate riders that recover from, or distribute to, customers' balances in these accounts;
- C. Among other changes, SEUL proposes the following rates, effective January 1, 2021:
 - Domestic hot water heating, space heating and space cooling - \$0.012950/kWh (an increase of 143.83 percent from the current rate); and
 - Monthly capacity levy - \$0.05528/ft² (an increase of 2.00 percent from the current rate).
- D. SEUL states that the current rates are insufficient to recover SEUL's cost of service, since the rates are currently pegged to the rates charged by Southeast False Creek Neighborhood Energy Utility, which has a different capital structure, different customer base, and different technology;
- E. In the Application, SEUL confirmed that an interim order will not be needed if the BCUC can provide its final decision on the Application before the end of the year, allowing the new rates to be put into effect on January 1, 2021;

- F. By Order G-186-20, the BCUC established a regulatory timetable for the review of the Application, which included among other things intervenor requests, final arguments, and reply argument; and
- G. The BCUC has reviewed the Application, evidence, and arguments filed in the proceeding, and determines that approval of interim rates effective January 1, 2021, on an interim and refundable basis, pending the issuance of the BCUC's decision on the Application, is warranted.

NOW THEREFORE pursuant to sections 59 to 61 and 89 of the *Utilities Commission Act*, the BCUC orders as follows:

1. SEUL's application for approval of rates for the SETES is approved, on an interim and refundable basis, effective January 1, 2021.
2. SEUL is directed to refund/recover the difference between the interim rates and permanent rates, as determined by the BCUC following its final determinations of the Application, with interest calculated on any refundable amounts at the average prime rate for Canadian banks.
3. SEUL is directed to file with the BCUC, within 15 days of the issuance of this order, amended tariff pages in accordance with the terms of this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 11th day of December 2020.

BY ORDER

Original signed by:

T. A. Loski
Commissioner

Attachment