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ORDER NUMBER
G-345-22

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

and

Creative Energy Vancouver Platforms Inc.
Application for Rates for the Core Steam System and Northeast False Creek Service Areas

BEFORE:
T. A. Loski, Panel Chair
A. C. Dennier, Commissioner
A. Pape-Salmon, Commissioner

on November 29, 2022

ORDER

WHEREAS:

A. On November 1, 2021, Creative Energy Vancouver Platforms Inc. (Creative Energy) filed with the British Columbia Utilities Commission (BCUC) part one of its application for approval of rates for the core steam (Core Steam) and Northeast False Creek (NEFC) service areas, which addresses rate design (Application Part One). Specifically, Creative Energy proposes to consolidate the cost of service and rates of the NEFC service area with the Core Steam system, effective January 1, 2022, and charge customers connected to the NEFC system the same rates as customers connected to the Core Steam system, plus a system contribution charge (System Contribution Charge) (Proposed Rate Design);

B. On December 1, 2021, Creative Energy filed the following, among other things:

   1. The 2022 revenue requirements for the Core Steam System and NEFC service areas based on the Proposed Rate Design (Application Part Two), which requests approval of interim and permanent rates, effective January 1, 2022 (Application Part One and Part Two are collectively referred to as the Application); and

   2. The 2022 revenue requirements and resulting rates, effective January 1, 2022, for each of the Core Steam system and NEFC service areas under the respective existing rate designs;

C. By letter dated April 21, 2022, Creative Energy filed, among other items, an evidentiary update and errata to the Application, amending its request for permanent approval of thermal energy rates, effective January 1, 2022;

D. By Orders G-11-22, G-104-22, G-115-22, G-176-22 and G-211-22, the BCUC established regulatory timetables for the review of the Application, which provided for, among other items, notice of Application, dates for intervener registration, BCUC and intervener information requests (IR) No. 1 and 2, Creative Energy's responses to IRs, and written final and reply arguments;

E. The Commercial Energy Consumers Association of British Columbia and Residential Consumer Intervener Association registered as interveners in the proceeding to review the Application; and

F. The BCUC has considered the Application, evidence and submissions of the parties and makes the following determinations.

NOW THEREFORE pursuant to sections 58 to 61 of the *Utilities Commission Act* and for the reasons provided in the decision issued concurrently with this order, the BCUC orders as follows:

1. Creative Energy is approved to consolidate the cost of service and unify the rate base and rates for the NEFC system with the Core Steam system under the Proposed Rate Design, effective January 1, 2022.

2. Creative Energy is approved, on a permanent basis, effective January 1, 2022, to charge customers connected to each the Core Steam and NEFC systems the same thermal energy rates under the existing declining block rate structure for the Core Steam system, plus a System Contribution Charge to customers connected to the NEFC system, as set out in Appendix B to Exhibit B-1-1, subject to the directives and determinations outlined in this order and the decision issued concurrently.

3. Creative Energy is approved to:

    a. Transfer NEFC's Variance Deferral Account balance to NEFC's Revenue Deficiency Deferral Account (NEFC RDDA) and to close the NEFC's Variance Deferral Account, effective December 31, 2021; and

    b. To add the system contribution calculated as part of the system extension test to the NEFC RDDA, effective January 1, 2022.

4. Creative Energy is approved to establish a Water Cost Deferral Account on an ongoing basis accruing interest at Creative Energy's short-term debt rate and to record the variance between forecast and actual water costs with the balance to be amortized over a one-year period.

5. Creative Energy is approved to establish a Refinancing Cost Deferral Account (RCDA), accruing interest at Creative Energy's weighed average cost of debt, to record the refinancing costs incurred to renew its existing credit facility with HSBC and TD on September 15, 2021 and allocated to the Core Steam and NEFC systems, net of any refinancing costs amortized in 2021.

6. Creative Energy is denied recovery of the refinancing costs amortized in 2021 and allocated to the Core Steam and NEFC systems.

7. Creative Energy is denied its request to maintain the RCDA on an ongoing basis.

8. Creative Energy is approved to continue to use the COVID-19 Deferral Account for the Core Steam system for the 2022 Test Year to capture:

    a. Any incremental, unplanned expenses and cost savings related to the COVID-19 pandemic that Creative Energy has incurred related to continuing safe and reliable operations, including any incremental financing cost;

b. Any unrecoverable revenues (bad debt) resulting from customers that do not pay their bills due to the impacts of COVID-19 on their financial circumstances; and

c. The variance between the 2021 approved steam load forecast and the actual steam load.

9. Creative Energy is approved to record the 2021 additions of $205,105 in the NEFC Variance Deferral Account.

10. Creative Energy is directed to close the COVID-19 Deferral Account for the NEFC system and cease reporting at the end of 2022.

11. Creative Energy is directed to re-calculate its revenue requirements and rates for the Core Steam and NEFC systems, effective January 1, 2022, subject to the adjustments resulting from the directives and determinations contained in this order and the decision issued concurrently, and to file revised financial schedules and revised tariff pages with the BCUC for endorsement within 45 days of the date of this order and the decision issued concurrently.

12. Creative Energy is directed to refund to or recover from ratepayers the net difference between the interim thermal energy rates collected from the Core Steam and NEFC customers under the Existing Rate Design and the permanent rates under the Proposed Rate Design with interest at Creative Energy's cost of debt in the next billing cycle after this decision, as set out in Section 6.0 of the decision issued concurrently with this order.

13. The BCUC consents to rescinding the NEFC Tariff applicable to the NEFC area serviced by Creative Energy, effective January 1, 2022.

14. Creative Energy must inform its customers of the Core Steam and NEFC systems of the rate design changes and resulting permanent rates by way of written notice to be included with their next customer invoice after Creative Energy's compliance filing for the Core Steam and NEFC systems has been accepted by the BCUC.

15. Creative Energy is directed to file an evidentiary update to its 2023 revenue requirements application for the Core Steam and NEFC systems within 60 days of the date of this order, addressing the relevant directives and determinations in the decision issued concurrently, as applicable.

16. Creative Energy is directed to comply with all other directives and determinations outlined in the decision issued concurrently with this order.

DATED at the City of Vancouver, in the Province of British Columbia, this 29th day of November 2022.

BY ORDER

Original signed by:

T. A. Loski
Commissioner