October 31, 2023

Via E-filing

Mr. Patrick Wruck
Commission Secretary
BC Utilities Commission
Suite 410, 900 Howe Street
Vancouver, BC V6Z 2N3

Dear Mr. Wruck:

Re: British Columbia Utilities Commission (BCUC, Commission)
Creative Energy Mount Pleasant Limited Partnership
Application for Rates for the Mount Pleasant District Cooling System

Creative Energy Mount Pleasant LP (**CEMP**) writes to file the enclosed rates application for the Mount Pleasant District Cooling System.

Please contact the undersigned with any questions.

Sincerely,

Colin Robb
Director, Regulatory Affairs

Creative Energy Mount Pleasant Limited Partnership

APPLICATION FOR RATES FOR THE MOUNT PLEASANT DISTRICT COOLING SYSTEM (DCS)

October 31, 2023

CREATIVENERGY

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1. Introduction

By Order C-5-20, the Commission granted a Certificate of Public Convenience and Necessity (**CPCN**) for Creative Energy Mount Pleasant Limited Partnership (**Creative Energy**, or **CEMP**) to acquire, operate and expand a Thermal Energy System (**TES**) to provide cooling service to the Main Alley Development in the Mount Pleasant neighbourhood of Vancouver (the **Mount Pleasant District Cooling System,** or **Mount Pleasant DCS**).

By Order G-242-22, the Commission approved the initial rates for the Mount Pleasant DCS for the period ending December 31, 2023. The Order further directed CEMP to file rates for the rate setting period beginning January 1, 2024 by June 30, 2023. By Orders G-177-23 and G-289-23, the filing date was amended to instruct CEMP to file a rate application by October 31, 2023.

Through this application, CEMP is requesting Commission approval on an interim and refundable basis of rates for the three-year period, effective January 1, 2024 through December 31, 2026 (the **Current Rate-setting Period**) for its provision of district cooling services to the Main Alley Development (**Application**).

The proposed interim rates for the Current Rate-setting Period are designed on a levelized basis and calculated in accordance with the previously-approved rate structure. The Current Rate-setting Period is defined by the forecast completion of Phase 2 of the DCS.

Upon the completion of Phase 2, Creative Energy will file an Evidentiary Update to reflect the requested approval of permanent rates for the Current Rate-setting Period; that is, when the actual capital costs of Phase 2 are known and the assets are fully placed into service.

Our requests for approval in this Application are set out below in section 1.4 and a draft order is attached at Appendix A. An interim rate schedule is attached at Appendix B. Creative Energy has attached to this Application its Rates Model, which sets out the forecast revenue requirements and the determination of levelized capacity charges for the Current Rate-setting Period.

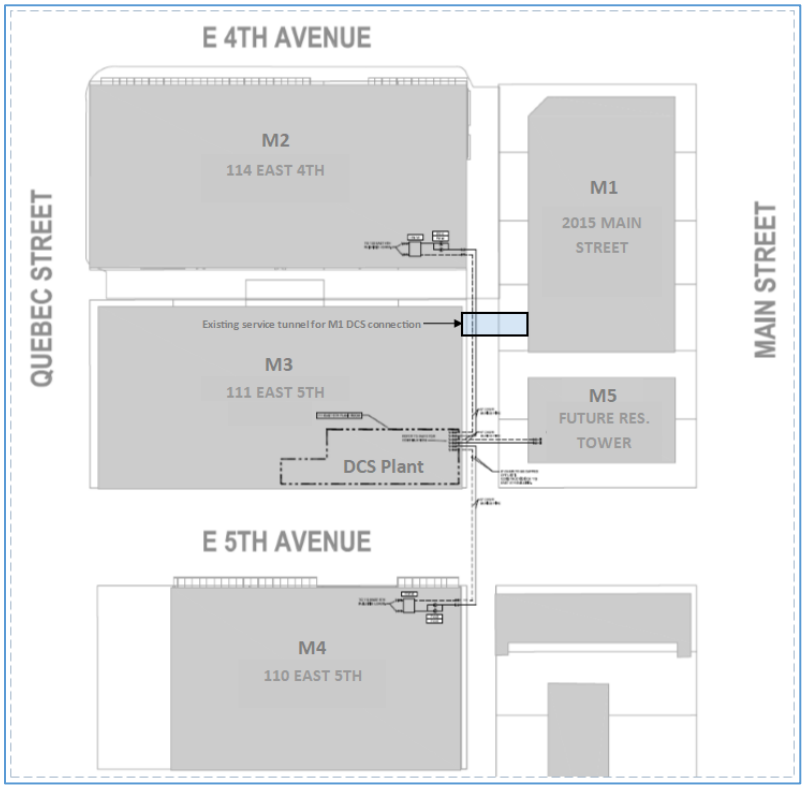
1.1. Review of the Mount Pleasant District Cooling System

Upon full build-out of the Main Alley Development, the Mount Pleasant DCS will serve five buildings, four commercial/light industrial use buildings (M1 – M4) and one residential building (M5). Please refer to Table 1. A system map is illustrated in Figure 1.

Table 1: Summary of the Main Alley Development

Building	Address	Building Size m^2	Design Peak Capacity kW	Estimated Annual Cooling MWh	Occupancy
M1	2015 Main St.	5,400	Existing	Commercial / Light Industrial	Occupied
M2	114 East 4th Ave.	15,979	Occupied	Commercial / Light Industrial	Occupied
M3 (Existing /Expanded)	111 East 5th Ave.	7,880 /+8,190	Existing/ Expansion	Commercial / Light Industrial	Occupied / Unknown
M4	110 East 5th Ave.	19,250	Under Construction	Commercial / Light Industrial	February 2024
M5	2015 Main St.	11,519	Future Plan	Commercial / Light Industrial	2029

Figure 1: Buildings of Main Alley Development and the Mount Pleasant DCS



The M3 building has in place an existing cooling plant that serves both of the existing buildings, M1 and M3, thus comprising the assets that CEMP has acquired and is now operating.

Pursuant to a Construction and Purchase Agreement between CEMP and the Owner of the Main Alley Development[1], the Owner has agreed, in part, to: i) sell the existing cooling plant within the M3 building to CEMP; ii) allow CEMP to construct the DCS, to incorporate the cooling plant for the provision of space cooling to the buildings in the Development and to expand the DCS to serve the entire Development over time; and iii) connect the buildings to the DCS and enter into 25-year Customer Service Agreements (**CSAs**) with CEMP for the provision of space cooling services to each building. By Order C-5-20 the Commission has approved, subject to certain directives addressed separately, the CSAs for the M3 and Non-M3 Lands, respectively.

The Mount Pleasant DCS is forecast to be built in four phases through to commencement of service to M5 in 2029, with capital deployed at each phase. The construction phases of the DCS are designed to match load growth during the development lifecycle. The DCS construction phases are being coordinated with construction of the Main Alley Development so that capital is deployed only when the timing of additional load associated with the new building connections is confirmed by the customer. Under this implementation plan, the existing assets will be operated and maintained while a cost-effective upgrade and replacement construction program is executed. Please refer to Table 2.

Table 2: Summary of the DCS Phased Implementation

Phase	Description	Targeted Service Commencement	Essential Components	Total Capacity	Cumulative Peak Load Served
Initial Acquisition and Operation	Continue service to M1 & M3	September 1, 2020 (complete)	• Two existing 250-ton chillers • One existing 150-ton chiller	2,286 kW	790 kW
Phase 1	Connect M2 Upgrade M3 cooling plant capacity and reliability	2021-2023	• DPS (complete) • ETS (compete) • Replace one failed existing 250-ton chiller with one 325-ton chiller (complete) • Complete plant capacity and reliability upgrades (end of 2023)	2,550 kW	1,630 kW

[1] Please refer to Appendix B of Exhibit B-1 in the CPCN proceeding.

Phase	Description	Targeted Service Commencement	Essential Components	Total Capacity	Cumulative Peak Load Served
Phase 2	Connect M4	2024	• DPS (February 2024) • ETS (February 2024) • Replace one existing 250-ton chiller with one new 299-ton chiller (2024)	2,722 kW	2,825 kW[2]
Phase 3	Serve renovated and expanded M3 Upgrade & Modernize M3 cooling plant	2027	• Add one new 325-ton chiller • Replace control system, add cooling tower, equip with modern ETS	3,865 kW	3,315 kW
Phase 4	Connect M5	2029	• DPS • ETS	3,865 kW	3,705 kW

1.2. Application Overview

Levelized Capacity Charge

Creative Energy applies for approval of a levelized capacity charge to recover the fixed costs of the annual revenue requirements of the DCS on a $/kW basis.

The levelized structure was approved by the BCUC in its Decision and Order G-242-22, and provides for smooth and stable rate increases over time as capital is deployed at each phase and buildings commence taking service. The levelization period is calculated using 25 years in accordance with the Commission's direction in Order G-242-22

CEMP is requesting in this Application Commission approval on an interim and refundable basis the rates for the three-year Current Rate-setting Period. An Evidentiary Update is contemplated to seek approval of permanent rates for this period on the basis of the actual costs of Phase 2 completion. The exact timing of the evidentiary update is not yet determined, but will be filed once all capital costs are incurred.

Future rate applications will follow in due course and will seek approval of permanent rates set

[2] The total peak load requested by the four customers connected to the system will be higher than the plant capacity at the end of Phase 2. CEMP do not expect any service issues due to this gap based on the diversified load of the buildings being significantly lower than the peak load. During the summer of 2023 the highest loads experienced by the system from the three buildings connected were less than 70% of the total peak load requested by these buildings. We expect this will continue throughout 2024 and beyond as none of the buildings are fully occupied and it is unlikely that peak loads would coincide between all buildings. CEMP are targeting serving 85% of the peak load for the diversified load, which is 2,401 kW.

on the basis of the actual costs to complete each subsequent phase of the Mount Pleasant DCS and corresponding to the time period that assets are placed in service.

Revenue Deficiency Deferral Account

While the levelized rates are designed to recover the cost of service over the period of levelization, the rates are forecast to recover less than the cost of service during the initial years of service. CEMP therefore applied for approval of a rate smoothing Revenue Deficiency Deferral Account (**RDDA**). The RDDA was approved by the Commission by Order G-242-22. This application also requests approval of the amounts to be added to the RDDA over the Current Rate-setting period. The RDDA will enable CEMP to recover, in later years, the forecast deficiency during the initial years of service.

Variable, Flow-through Charge

Creative Energy will continue to administer a variable charge, calculated monthly and based on actual total electricity and water costs divided by actual cooling energy consumption. The variable charge will recover the cost of service that varies directly with energy consumption by flowing-through the actual costs on a cost recovery basis. Though CEMP is not currently charged for water costs, it is expected that these costs will be incurred during the current rate setting period, and therefore, is applying to include these costs in the variable charge on a flow-through basis.

A concurrent application is currently before the Commission. The application was submitted by Westbank and is requesting exceptions pursuant to Section 88(3) of the *Utilities Commission Act* to resell electricity directly to CEMP for use in the operation of the cooling infrastructure.

Regulatory Cost Variance Deferral Account

Consistent with the prior application and approval, Creative Energy includes an amount of $25,000 in regulatory costs in its Rates Model for each rate-setting period, which is an indicative estimate of regulatory costs for Commission fees, PACA fees and external regulatory legal support based on experience. We consider the estimate to be reasonable for the purpose of setting rates for a three year period. Any variances will be administratively simple to recover or credit as a set percentage of a customer's total bill until the variance balance is cleared.

The regulatory costs will be recovered through the approved Regulatory Cost Variance Deferral Account (RCVDA), which will record the difference between a regulatory cost forecast for each rate-setting period and the actual costs when so determined.

1.3. Approach to Rate-setting and Regulatory Process

The coordination of each construction phase of the Mount Pleasant DCS with the phases of the Main Alley Development and the protections in place under the Construction and Purchase Agreement underpin the ability of CEMP to forecast rates under a single 25-year levelization period. That is, the forecast costs to complete the entire DCS through all four phases and the

total of the peak design capacities (kW) of all buildings, which are the billing determinants for capacity charge, enable the single levelization period.

The billing determinants for the levelized capacity charges (kW of peak design capacity) stem directly from the contracted need for cooling stipulated by the Owner/Customer to serve all five buildings of the Development and through the Construction and Purchase Agreement the Owner/Customer accepts all associated risk of stranded DCS assets if the Development does not entirely proceed or is delayed.

Under the Construction and Purchase Agreement Capital will not be deployed before the timing and capacity requirement of new customer load associated with the new building connections is confirmed.

CEMP filed for approval its rates for the Mount Pleasant DCS for the initial rate setting period (2021-2023). The Application was approved in the BCUC's Decision and Order G-242-22. As was contemplated in the prior application, CEMP is now filings for the approval of rates for the Phase 2 three-year rate setting period from 2024-2026. Subsequent applications will be filed for future rate setting periods, which will align with the future phase of development relating to the Mount Pleasant DCS.

In view of the circumstances reviewed above, CEMP proposes that interim rates be approved following the Commission's internal review of the evidentiary basis provided with this Application. CEMP further proposes that the Commission establish a written public hearing to review the proposed rates for the Current Rate-setting Period. A subsequent evidentiary update will be filed to account for actual costs and Creative Energy will seek permanent rate approval on the basis of these costs.

1.4. Requested Approvals

In this Application, Creative Energy is seeking an Order of the Commission granting the approvals described below pursuant to the noted sections of the legislation. A draft Commission Order is provided in Appendix A to this Application while Appendix B provides the corresponding rate schedule for approval.

At this time Creative Energy requests interim approval, effective January 1, 2024, and pursuant to sections 58 to 60 and 90 of the *Utilities Commission Act* (the **Act**) and section 15 of the *Administrative Tribunals Act*:

- the Levelized Capacity Charges set forth in Appendix B;
- the RDDA balances described in sections 3;

CEMP will set out in the Evidentiary Update its requested approvals of proposed final rates in the Current Rate-setting Period and the incremental additions to the RDDA in each year of the

Current Rate-setting Period.

1.5. Capital and Development Costs

Updated total forecast capital and development costs of the Mount Pleasant DCS are summarized in Table 3 below. Please refer to Appendix C for a more detailed summary consistent with the reporting provided in the CPCN proceeding and recent progress reports. The detailed summary provides the variances from the original CPCN proceeding.

Table 3: Summary of Estimated Capital and Development Costs

	Initial Acquisition and Operation	Phase 1	Phase 2	Phase 3	Phase 4	Total
Purchase of Assets	419,222					419,222
Energy Center		1,868,658	689,671	3,202,142		5,760,471
DPS and ETS		498,332	500,000		273,983	1,272,315
Predevelopment	193,172	16,040				209,212
CPCN	62,145					62,145
Engineering		514,460	177,000	208,437		899,897
Soft Costs		229,354		547,009	40,733	817,096
Internal	120,383	320,081		229,860	67,092	737,416
Contingency		281,901	69,135	778,363	54,797	1,184,196
Total – current forecast	794,922	3,728,826	1,435,806	4,965,811	436,605	11,361,970

The cost to acquire the existing DCS assets is the agreed-to amount set out in the Construction and Purchase Agreement based on the value of the depreciated assets.[3] The capital costs associated with the Energy Center, DPS and ETS at each applicable phase of DCS development are estimated to a Class 3 level of accuracy. Predevelopment activities comprise primarily feasibility studies and design work. Forecast engineering costs are an estimate of engineering and construction costs calculated as a percentage of hard costs. Soft costs consist of mobilization, demobilization, bonding and insurance costs. Internal costs are estimated as a percentage of applicable construction and equipment costs. Contingency is based on the project team/design engineer's assessment of risk relating to construction costs.

1.6. Operations and Maintenance Costs

The assumptions underpinning the annual operation and maintenance costs of the DCS are summarized in Table 4. Annual costs are reported for 2024, while the escalation of these costs

[3] Please refer to Schedule K of Appendix B of Exhibit B-1 in the CPCN proceeding for a report on this valuation as accepted by both CEMP and the Owner.

over the three-year period of the requested approvals is set out further below in Table 5.

Table 4: Operations and Maintenance Costs – 2024

Component	2024	Assumption
Maintenance	66,000	Based on operations budget escalated from 2023 year-to-date actuals
Operators	115,000	1x Operators @ $115K per FTE
Lease	44,720	Escalation of previous-approved costs
Property Tax	0	N/A - responsibility of landlord
Municipal Access Fees	13,000	1.25% of Fixed and Variable Revenue
Insurance	12,000	0.1% of capital
Financing Fees	9,500	Proportional allocation based on actual costs.
Corporate Overhead	166,000	3-Factor Massachusetts formula allocation based on allocable overhead
Regulatory Costs	25,000	Third-party costs and external legal support to rates application preparation and review process

Maintenance

The maintenance is established based on an operations budget escalated from 2023 year-to-date actuals. The budget includes water treatment costs, operating costs, equipment and maintenance.

Emergency repair costs have not been factored into the estimates of maintenance costs for this project. As the magnitude and timing of emergency repair costs cannot be predicted, we have refrained from forecasting them. Should extraordinary events require maintenance costs that exceed our estimate of recurring maintenance costs, Creative Energy will apply for recovery of those costs at that time as applicable and only if necessary.

Operator

Operator costs are estimated based on the requirement for 1 full-time operators at $115,000 per year.

Lease Payments

Lease payments are based on the cooling plant space requirement of 2,236 square feet at a rate of $20 per square foot and escalating at inflation. The amounts are based on actual incurred costs in previous years pursuant to a Contribution Agreement between CEMP and the Owner.

Municipal Access Fee

While CEMP does not have a Municipal Access Agreement (“MAA”) with the City of Vancouver,

it has been working under the MAA to perform work in the laneway and CEMP foresees no issues with obtaining all necessary approval in accordance with City of Vancouver Street Utilities Bylaws. The MAA fees in the Rates Model are thus indicative of the fees that may likely apply. MAA fees are assumed to be equal to 1.25% of fixed and variable revenues.

Insurance

Insurance costs are based on actual insurance invoices incurred.

Financing Fees

Financing fees are based on a proportional amount of actual costs incurred.

Corporate Overhead

General and Administration expense is allocated under the Commission-approved Massachusetts Formula currently in effect assigned on the basis of project capital expenditures.

The following categories of General and Administration costs comprise the allocable overhead and do not include any expenses that can be directly assigned:

- Directors fees;
- Residual salaries and benefits (such costs are first directly assigned to utility projects);
- Office supplies & expenses;
- General legal and audit fees; and
- General liability, umbrella and other insurance not directly charged.

Regulatory Costs

Regulatory costs are based on a $25,000 per rate setting period.

Cost Escalation Factor

For the purpose of setting rates over the 2024-2026 period, and as set out in the attached Rates Model, Creative Energy has assumed an annual inflation rate of 2 percent on applicable costs, with the exception of electricity costs, which escalate at 3%.

1.7. Variable Electricity and Water Costs

The total annual revenue requirements of the DCS reflect indicative estimates of electricity and water costs based on the estimated demand for cooling energy and the applicable rates for electricity and water, which expenses will be directly flowed-through based on actual invoiced amounts on variable usage.

- A concurrent application is currently before the Commission. The application was submitted by Westbank and is requesting exceptions pursuant to Section 88(3) of the *Utilities Commission Act* to resell electricity directly to CEMP for use in the operation of the cooling infrastructure. The variable charge will be established on the basis that the

requested approvals will be granted, Creative Energy will determine the $/MWh variable charge each month as the flow-through costs of electricity as invoiced to Westbank by BC Hydro; and

- Creative Energy does not currently incur water-related costs, though this is expected to change during the current rate setting period. Water costs are incurred by Westbank and will be flowed-through to Creative Energy. Creative Energy will determine for each building customer their allocated water cost for the period based on their pro rata share of total cooling energy consumption over the corresponding period.

The rates for electricity and water consumption are externally set, and the volumes of electricity and water consumed by the DCS are driven directly by variable cooling usage. Creative Energy does not control or manage either of these factors and accordingly a variable charge will be used to flow-through these expenses on an actual as-incurred basis, consistent with the previous rate application.

The Application includes indicative estimates of these costs; however, under the proposed fixed and variable rate design these estimates have no material effect on the revenue requirements of the DCS for the purpose of rate setting.

1.8. Annual Revenue Requirements

Please refer to Table 5 for a summary of annual requirements over the requested rates approval period.

Table 5: Annual Revenue Requirements 2024-2026

Component	**2024**	**2025**	**2026**
Depreciation	238,397	238,397	238,397
Cost of Debt	127,922	141,461	135,293
Cost of Equity	199,607	220,734	211,109
Income Tax	53,894	59,598	56,999
Cost of Electricity	80,953	83,381	85,883
Water/Chemical Costs	5,797	5,913	6,031
Maintenance	66,975	68,315	69,681
Operators	117,300	119,646	122,039
Rent	44,737	45,632	46,545
Property Tax	-	-	-
Municipal Access Fees	13,357	13,634	13,917
Insurance	11,590	11,822	12,058
Financing Fees	9,500	9,500	9,500
Corporate Overhead	166,313	169,640	173,032
Regulatory Costs	25,000	-	-
Fixed Cost of Service	**1,074,592**	**1,098,378**	**1,088,570**
Variable Cost of Service	**86,750**	**89,294**	**91,914**
Total Cost of Service	**1,161,342**	**1,187,672**	**1,180,483**

Depreciation

Annual depreciation is the sum of straight-line depreciation over 25 years for each phase of capital based on the year it enters service. This assumption is set in accordance with BCUC Decision G-242-22.

Income Tax

The amounts are calculated based on 27 percent of the return on equity plus depreciation less capital cost allowance (**CCA**), the latter consistent with the Class 17 designation that this type of asset would be categorized under.

Return on Capital

Projected financing costs reflect a deemed capital structure of 57.5 percent debt and 42.5 percent equity and an equity risk premium of 75 basis points above the low-risk benchmark. The corresponding allowed return on equity (**ROE**) is 9.5 percent and Creative Energy estimates that an overall cost of debt of 4.5% is reasonable at this time and consistent with the current average debt rate in effect under rate approvals for Creative Energy's Core steam system. The assumptions are consistent with the Decision G-242-22.

2. Rate Design and Billing Determinants

Creative Energy seeks approval to recover its cost of service for the Mount Pleasant DCS through:

1. a fixed capacity charge ($/kW); and
2. a variable charge that flows through actual electricity and water input costs on a $/MWh of actual energy consumption basis.

The rate design is established in accordance with Decision G-242-22

2.1. Capacity Charge

The capacity charge will recover the capital and fixed operating costs of the DCS on a $/kW basis and invoiced in accordance with the design peak capacity of each building. The capacity charge will recover all costs that do not vary with energy consumption; that is, the cost of service excluding variable electricity and future water costs.

The level of the capacity charge is set based on total design peak capacity of all buildings in the Main Alley Development, which is the overall driver of the fixed costs of the DCS. Correspondingly, the billing determinants for the allocation of capital and fixed operating costs to each building are the total design peak cooling demand in kW of each building in the Main Alley Development.

The Application includes revised values for peak capacity of the M4 building.

Table 6: Capacity Charge Billing Determinants

Building	Design Peak Capacity (kW) at DCS project completion
M1	320
M2	840
M3	960
M4	1,195
M5	390
Total Billing Determinants	**3,705**

The fixed structure of the capacity charge thereby fairly and reasonably aligns with a cost causation rate setting principle under which rates ought to recover costs in a manner consistent with the factors that cause those costs. The capacity charge also supports stable and predictable rates and recovery of the revenue requirement because the recovery of fixed costs is not tied to energy use. The capacity charge is an existing charge approved under BCUC Decision G-242-22 and so is readily understood and serves customer understanding and acceptance in the particular case where the customers are effectively the buildings.

2.2. Variable Charge

The Variable Charge will recover on a flow-through basis the actual electricity and future water costs of the DCS, which are driven directly by cooling energy consumption.

- A concurrent application is currently before the Commission. The application was submitted by Westbank and is requesting exceptions pursuant to Section 88(3) of the *Utilities Commission Act* to resell electricity directly to CEMP for use in the operation of the cooling infrastructure. Designing the variable charge on the basis that the requested approvals will be granted, Creative Energy will determine the $/MWh variable charge each month as the flow-through costs of electricity as invoiced to Westbank by BC Hydro divided by the total metered energy consumption at the Cooling Plant for cooling all buildings in that month (in MWh). Creative Energy will bill each building customer in accordance with such calculated rate ($/MWh) multiplied by each individual building's metered cooling energy use (MWh).

- Creative Energy does not currently incur variable water-related costs, though this is expected to change during the current rate setting period. Water costs are incurred by

Westbank and will be flowed-through to Creative Energy. Creative Energy will determine for each building customer their allocated water cost for the four-month period based on their pro rata share of total cooling energy consumption over the corresponding four-month period.

The overall variable charge therefore will be expressed on a $/MWh basis, calculated monthly and equal to total monthly electricity costs plus total monthly allocated water costs divided by total monthly cooling energy consumption.

The underlying electricity and water rates are externally set, and total electricity and water costs vary directly with cooling energy consumption outside of Creative Energy management and control. The flow-through of such costs is therefore fair, readily understood and verifiable, and the mechanism to allocate these charges in the same applicable billing period is administratively simple and does not require a deferral account.

3. Levelized Capacity Charges 2024-2026

In accordance with Decision G-242-22, rates will be established over the 25-year levelization period and the approved methodology of calculating the RDDA balance will continue in the next rate setting period.

Table 8 sets out the proposed levelized capacity charge and fixed revenue in comparison to the corresponding annual cost of service, and the forecast additions to the RDDA determined on this basis.

Table 7: Proposed Levelized Capacity Charge 2024-2026

	Unit	2024	2025	2026
Proposed Levelized Capacity Charges	$/kW/year	$347.54	$354.49	$361.58
	$/kW/mo.	28.96	29.54	30.13
Billing Determinants of M1, M2, M3 and M4	kW	2,825	2,825	2,825
Annual Capacity Charge Revenue	$	981,801	1,001,437	1,021,465
Annual Fixed Cost of Service	$	1,074,592	1,098,378	1,088,570
Forecast RDDA additions	$	92,792	96,942	67,104

Appendix A

Draft Order

Order Number

●

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

and

Creative Energy Mount Pleasant Limited Partnership.
Application for Rates for the
Mount Pleasant District Cooling System (DCS)

ORDER

WHEREAS:

A. On October 31, 2024, Creative Energy Mount Pleasant Limited Partnership (CEMP) applied to the British Columbia Utilities Commission (BCUC) for interim approval of rates and additions to the Revenue Deficiency Deferral Account (RDDA), effective January 1, 2024, for its provision of cooling service at the Main Alley Development (Application);

B. CEMP's proposed rate design consists of a levelized capacity charge per kilowatt (kW) per month (Capacity Charge) and a variable charge per megawatt hour (MWh) (Variable Charge) and is filed in accordance with the rate structure previously approved in BCUC Decision and Order G-242-22;

C. The Application requests approval of rates, initially on an interim and refundable basis, for a three-year rate-setting period effective January 1, 2024 through December 2026, the Current Rate-setting Period, which is the period defined by the forecast completion of Phase 2 of the build-out of the Mount Pleasant DCS;

D. CEMP advises that upon the completion of Phase 2, it will file an Evidentiary Update to support the requested approval of permanent rates for the Current Rate-setting Period; that is, when the actual capital costs of Phase 2 are known and the assets are fully placed into service;

E. CEMP will set out in the Evidentiary Update its proposed final rates in the Current Rate-setting Period and the forecast incremental additions to the RDDA in each year of the Current Rate-setting Period.

F. CEMP proposes that upon the filing of the Evidentiary Update the BCUC then establish a written public hearing to review the proposed final rates for the Current Rate-setting Period.

G. CEMP will seek approval of the forecast amounts to record in the RDDA as based on the annual revenue deficiencies or surpluses resulting from the difference between forecast annual revenue at final approved rates and the forecast annual cost of service;

H. The BCUC has reviewed the Application and consider that the proposed rates should be approved on an interim basis.

NOW THEREFORE the pursuant to sections 59-61 and 90 of the Utilities Commission Act, the BCUC orders as follows:

1. CEMP is approved to charge a Capacity Charge as set out in Appendix B to the Application, on an interim and refundable basis, effective January 1, 2024 and subject to further order of the BCUC.

2. CEMP is approved to charge a Variable Charge as set out in Appendix B to the Application, on an interim and refundable basis, effective January 1, 2024 and subject to further order of the BCUC.

3. CEMP is approved to recover the balances in the RDDA as proposed in the Application.

4. CEMP is to file with the BCUC the rate schedules reflecting the interim rate approvals in this Order for endorsement by the BCUC within 15 days of the date of this Order.

5. A regulatory process and timetable for review and approval of final permanent rates will be established in due course upon the filing by CEMP of an Evidentiary Update to the Application following the completion of Phase 2 of the Mount Pleasant DCS.

DATED at the City of Vancouver, in the Province of British Columbia, this _____ day of ____ 2024.

Appendix B

Interim Rate Schedule

CREATIVE ENERGY MOUNT PLEASANT LIMITED PARTNERSHIP

1. RATE SCHEDULE

Applicability: Mount Pleasant District Cooling System (DCS) served by the Utility.

Class of Service: Thermal energy for the provision of cooling service to the three buildings at the Main Alley Development in Vancouver over the period defined below and as listed.

Rates for Service: **Capacity Charge per kilowatt per month for the period effective January 1, 2024 through December 31, 2026, as follows:**

Year	2024	2025	2026
$/kW/mo.	$28.96	$29.54	$30.13

The applicable Capacity Charge billing determinants to the four buildings at the Main Alley Development over the defined period are as follows:

Building Customer	Civic Address	Design Peak Cooling Demand (kW)
Building M1	2015 Main St.	320
Building M2	114 East 4th Ave.	840
Building M3	111 East 5th Ave.	960
Building M4	110 East 5th Ave.	1,195

Variable Charge per megawatt hour for all megawatt hours supplied during a month: $/MWh calculated monthly

The Variable Charge is to be calculated each month equal to total monthly electricity and water costs of the DCS divided by the total metered energy supplied by the DCS to the building customers during the month (in MWh).

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Issued by: _____

Colin Robb
Director, Regulatory Affairs

Creative Energy Vancouver Platforms Inc.
Suite 1, 720 Beatty Street
Vancouver, B. C. V6B 2M1

Accepted
for Filing:_____

_____
Commission Secretary
British Columbia Utilities Commission

Effective Date: January 1, 2024
Approved on an interim basis by Order G-xxx-23