

CREATIVENERGY

February 23, 2026

Via E-filing

Keshni Nand, Registrar
British Columbia Utilities Commission
Suite 410, 900 Howe Street
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**Re: British Columbia Utilities Commission (BCUC, Commission)
Creative Energy Vancouver Platforms Inc. (Creative Energy)
2026 Core TES Fuel Cost Adjustment Charge (FCAC)
Compliance with Order G-298-25 – Request to Vary Directive No. 2**

Creative Energy writes seeking the BCUC's approval to vary Directive No. 2 of Order G-298-25. Please refer to the enclosed analysis for further details. Also, attached is a MS Excel workbook including the detailed calculations.

Creative Energy respectfully requests the Commission issuing a decision on this variance request **on or before March 16, 2026**, to allow Creative Energy time to update its invoicing systems and to initiate the refund process.

Please contact the undersigned with any questions.

Yours Sincerely,



Amr Ayad
Director, Regulatory Affairs

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1. Introduction

On November 19, 2025, Creative Energy submitted an application (**Application**) to the British Columbia Utilities Commission (**BCUC**) requesting approval of the Fuel Cost Adjustment Charge (**FCAC**) for Conventional Natural Gas, FCAC Rate Rider, FCAC for Renewable Natural Gas (**RNG**), and RNG FCAC Rate Rider for the Core TES, effective January 1, 2026.

Creative Energy, under Section 4 of the Application, provided its forecast for the 2025 Fuel Cost Stabilization Account (**FCSA**) closing balance to be approximately **\$95,990¹** and, as part of the Application, **proposed to issue a one-time refund to each Core TES customer on their January 2026 invoices based on each customer's share of their 2025 actual energy consumption.**

Subsequently, BCUC issued Order G-298-25 (**Order**), on December 12, 2025, approving Creative Energy's requested FCAC Rates and FCAC Rate Riders for the Core TES, effective January 1, 2026. In Directive No. 2 of the Order, the BCUC approved the refund proposal discussed above and directed Creative Energy to refund the expected 2025 FCSA balance at end of 2025 to Core TES customers on their first invoice in 2026.

2. Results

Creative Energy has reconciled the 2025 FCSA balance resulting in actual closing balance of **\$674,859**, which is significantly higher than the previously estimated amount of **\$95,990**. The variance between the forecast and actual closing balance is primarily attributable to lower-than-forecast natural gas commodity costs and reduced consumption resulting from warmer-than-normal temperatures in November and December 2025. These factors reduced fuel expense relative to forecast while FCAC collections continued at approved rates, thereby increasing the FCSA surplus. Please refer to the "2025 Continuity Schedule" tab in the MS Excel workbook attached for the detailed calculations of this balance.

3. Proposal

Given the material difference between the forecast and actual FCSA balance and the operational implications of refunding the full amount on a single billing cycle, Creative Energy did not implement the refund on the January 2026 invoices. Creative Energy has conducted an analysis considering the following two alternative options to resolve the matter and issue refunds to its Core TES customers:

- **Option 1:**

Creative Energy will refund the actual 2025 FCSA closing balance (principal plus carrying costs) in equal monthly installments **over a period of six months** starting in March 2026 billing cycle² and ending in August 2026 billing cycle, payable based on each customer's share of the total actual

¹ Creative Energy's 2026 Core TES Fuel Cost Adjustment Charge Application, November 19, 2025, p.4.

² Starting in March 2026 to allow the BCUC time to review and approve the variance request.

2025 consumption for Core TES. In this option, the Total Refund amount inclusive of carrying costs would be **\$691,424**.

Table 1 below summarizes the refund and the carrying cost. Please refer to the “Refund Analysis” tab in the MS Excel workbook attached for the detailed calculations.

Table 1: Option 1

Option 1: Full refund over six months, starting in March 2026 billing cycle and ending in August 2026 billing cycle	Principal (A)	Total Carrying Cost ³ (B1)	Total Refund (A+B1 = C1)	Monthly Total Refund (C1/6 = D1) ⁴
	\$674,859	\$16,564	\$691,424	\$115,237

- **Option 2:**

Creative Energy will refund the actual 2025 FCSA closing balance (principal plus carrying costs) in equal installments **over a period of nine months** starting in March 2026 billing cycle, ending in November 2026 billing cycle, payable based on each customer’s share of the total actual 2025 consumption for Core TES. In this option, the Total Refund amount inclusive of carrying costs would be **\$696,021**.

Table 2 below summarizes the refund and the carrying cost. Please refer to the “Refund Analysis” tab in the MS Excel workbook attached for the detailed calculations.

Table 2: Option 2

Option 2: Full refund over 9 months, starting in March 2026 billing cycle and ending in November 2026 billing cycle	Principal (A)	Total Carrying Cost ³ (B2)	Total Refund (A+B2 = C2)	Monthly Total Refund (C2/9 = D2) ⁴
	\$674,859	\$21,161	\$696,021	\$77,336

4. Preferred Option and Variance Request

Creative Energy submits that **Option 2** appropriately balances customer interests and operational prudence. Spreading the refund over nine months:

- Ensures customers receive full principal plus carrying costs;
- Avoids refunds exceeding monthly invoices;
- Maintains rate stability; and

³ Calculated based on 2026 WACD of 5.33% based on Creative Energy’s projection submitted as part of the Core TES 2026 RRA Application.

⁴ Actual monthly refund for each customer is based on each customer’s share of the total actual 2025 consumption for Core TES.

- Preserves working capital necessary for safe and reliable operations.

Creative Energy confirms that, pending the Commission's approval, customers will receive the full principal amount plus interest calculated at the Commission-approved weighted average cost of debt.

Accordingly, Creative Energy respectfully requests that the Commission approve the proposed refund plan above and to vary Directive No. 2 of Order G-298-25 to reflect the proposed changes discussed.