British Columbia Utilities Commission

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VIA EMAIL
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June 17, 2016

SHANNON ESTATES THERMAL ENERGY SYSTEM
RATE APPLICATION EXHIBIT A-3

Mr. Joseph Chow
Sterling, Cooper Consultants Inc.
608 – 1166 Alberni Street
Vancouver, BC V6E 3Z3

Dear Mr. Chow:

Re: Shannon Wall Centre Rental Apartments Limited Partnership
Rate Application for the Shannon Estates Thermal Energy System

Further to British Columbia Utilities Commission Order G-77-16A establishing the Regulatory Timetable with respect to the above noted application, enclosed please find the Commission's Information Request No. 1. In accordance with the Regulatory Timetable, please file your responses electronically with the Commission on or before Monday, July 4, 2016.

Yours truly,

Original signed by Laura Sharpe for:

Laurel Ross

CMcM/dg
Enclosure

Shannon Estates Thermal Energy Systems Rates Application

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A. TERMS AND CONDITIONS

1.0 Reference: Terms and Conditions
Exhibit B-1 (Application), Appendix A: Section B.10, p. 4; Section A, p. 1; Section C pp. 1, 5; Section D, p. 1
Emergency service reconnections

Section 10 of the Terms and Conditions (T&C) states that for discontinued Energy Services to a customer or Building System, if a

> …Customer re-applies for Energy Services for the same Building within 12 months of such discontinuance or disconnection (as applicable), then if the Building's Building System is reconnected to the Thermal Energy system or if Energy Services are restored to such Customer, such Customer will pay, as part of fees owing for the first month of Energy Services, as reconnection charge equal to the sum of (c) the costs that the Utility estimates it will incur in reconnecting the Building's Building System to the Thermal Energy System or restoring Energy Services to such Customer; and (d) the Basic Charge that such customer would have paid had Energy Services continued during the period between the date of discontinuance or disconnection (as applicable) and the date of such reapplication.

1.1 What is the rationale for setting 12 months as the maximum duration for charging a fee for restoring energy services?

1.2 Please confirm, or explain otherwise, that a customer that has had its energy services disconnected and wishes to reconnect within 12 months will have to pay both the costs incurred for the Shannon Estate Thermal Energy System Utility (SETES or the Utility) to reconnect plus the basic charge.

1.3 Please confirm, or explain otherwise, that the basic charge as defined in section A of the

Thermal Energy Service Tariff Schedules (Tariff) includes rates set out in subsection C1 – Fixed Charges, and do not include any other charges including subsection C5 – Sustainment Capital Fund.

1.4 In section 10 of the T&C what factors is SETES considering when estimating the costs it will incur in reconnecting the Building's Building System to the Thermal Energy System (TES) or restoring energy services to the customer?

1.4.1 For each factor that SETES considers, please provide the corresponding calculation of the cost estimate to determine approximately how much a customer will be charged.

1.4.2 How and why, does this amount differ from the service restart charge set out in the Standard Fees and Charges schedule in the Tariff?

1.5 Please explain why the service restart charge set out in the Standard Fees and Charges schedule in the Tariff is not a sufficient charge for reconnection.

2.0 Reference: Terms and Conditions
Exhibit B-1, Appendix A, Section B.16, p. 11
Refusal to provide energy services and discontinuance of energy services

Section 16 of the T&C states: "The Utility may refuse to provide Energy Service to any Applicant, or the Utility may, after having given 48 hours of prior written notice, discontinue providing Energy Services to any Customer, who:

(a) fails to fully pay for any Energy Services provided to any Building(s) on or before the due date for such payment; or…"

2.1 Please confirm, or explain otherwise, that this term and condition of services can be interpreted as a customer can be disconnected from a service within 48 hours of the billing due date if given notice.

2.1.1 Please explain why such a short time period has been deemed reasonable.

2.2 Does SETES considered the following to be a more reasonable term and condition: "The Utility may refuse to provide Energy Service to any Applicant, or the Utility may reserve the right to discontinue providing Energy Services to any customer, if the account in arrears remains unpaid for 10 days after providing written notice."

2.2.1 If not, please explain.

3.0 Reference: Terms and Conditions
Exhibit B-1, Appendix A, Section B.19, p. 13
Term of Customer Agreement

Section 19 of the T&C states: "The initial term of the Customer Agreement will be as follows: (a) where a new Service Connection is required to provide Energy Services, one year;…"

3.1 Please confirm whether this would not apply to a customer in the rental building or an owner of a unit in the strata building.

3.1.1 If not confirmed, please explain why it would be appropriate to lock a customer into a 12 month contract.

3.1.2 If not confirmed, please explain the penalty fees for early termination.

4.0 Reference: Terms and Conditions
Exhibit B-1, Appendix A, Section B.23, p. 17
Curtailment of energy services

Section 23 of the T&C states that "if in the opinion of any official of the Utility any Customer has failed to comply with any requirement of the Utility communicated in accordance with this Section, the Utility will be at liberty, after notice to the Customer is communicated in accordance with this Section, to discontinue Energy Service to such Customer."

4.1 Are there penalty fees applied to a customer who has failed to comply with any requirements in section 23 of the T&C?

4.2 Please confirm the reapplication charge to a customer who was discontinued from energy services under section 23 of the T&C.

5.0 Reference: Terms and Conditions
Exhibit B-1, Appendix A, Section B.25, p. 18
Sources of energy

Section 25 of the T&C states that the "Utility may… from time to time incorporate other sources of energy or other energy supply systems into the Thermal Energy System, provided the Utility is still able to meet its obligations to the Customer hereunder."

5.1 Does SETES have access to other sources of energy or other energy supply systems into the TES?

5.2 Does SETES anticipate any additional costs to the customer for SETES using an alternate energy source or other energy supply systems into the TES? If yes, please discuss how much those costs would be.

B. STANDARD FEES AND CHARGES SCHEDULE

6.0 Reference: Standard Fees and Charges Schedule
Exhibit B-1, Appendix A, Section D, p. 1
Service stop or termination fee

The Standard Fees and Charges schedule states: "Service Stop or Termination Charge [$125.00]: is a per occurrence service stop or service termination charge payable by each Applicant for Energy Service."

6.1 Please confirm, or explain otherwise, that this fee is required to be paid when the customer gives notice of disconnection and not at the time the customer applies for energy services.

6.2 Please confirm, or explain otherwise, that for any customer wishing to disconnect service a $125 fee is required.

6.2.1 If confirmed, please explain why a disconnection fee is necessary.

6.3 Please provide examples of other utilities regulated by the British Columbia Utilities Commission (Commission) that have a disconnection charge.

7.0 Reference: Standard Fees and Charges Schedule
Exhibit B-1, Appendix A; Section B.18, p. 13; Section D, p. 1
Account charge

Section 18 of the T&C states that: "When a change of Customer occurs, an account charge, as set out in the Standard Fees and Charges Schedule, will be paid…"

7.1 Please reference where in the Standard Fees and Charges Schedule the change of customer fee is set out.

7.1.1 If not currently set out, what is the proposed change of customer fee?

8.0 Reference: Standard Fees and Charges Schedule
Exhibit B-1, Appendix A, Section D, p. 2
Metered potable water and other common City Utility charges

8.1 Given that the Commission does not regulate metered potable water or any other common city utility charges, please explain why these charges are included in the energy service tariff regulated by the Commission.

8.2 Please confirm, or explain otherwise, that any metered potable water or any other common city utility charges will be billed to the customer separately and not as part of SETES energy bill. If not, please explain why it would be appropriate to include them with the customer's energy bill.

C. RATES – FIXED CHARGES

9.0 Reference: Clarification
Exhibit B-1, Section 5, p. 7; Order C-4-16
Fixed costs

Page 7 of the Application states: "Note, fixed costs are identified here as costs which are invariant from the usage and include fees like the basic charge and monthly levies base on cost per unit."

9.1 Please confirm, or explain otherwise, that the fixed charges relate to subsection C1 contained in section C of the Tariff and include the monthly capacity charge and the monthly metering charge.

9.2 Please explain what SETES is referring to as the "basic charge."

Page 7 of the Application states: "TES cost include intensity of usage and fixed cost to recuperate initial investment and ongoing costs."

9.3 Please confirm that the initial investment is the capital cost of $7.5 million approved in the Shannon Estates Thermal Energy Systems Stream B Certificate of Public Convenience and Necessity Application (CPCN Application) by Order C-4-16.

9.3.1 If not, please provide details of the initial investment.

On an annual basis, taking into consideration both Phase I and Phase II, what are the forecast ongoing **fixed** costs, other than the recovery of the $7.5 million capital investment, that are to be recovered through the fixed charge portion of the rate?

10.0 Reference: Fixed Costs
Exhibit B-1: Appendix B, CPCN Application; Appendix A, Section C, p. 1
Meter costs

10.1 Are the capital costs of the meters included in the capital cost of $7.5 million approved in the CPCN Application?

10.1.1 If not, please explain why they are not included.

10.1.2 If not, what are the expected capital costs for the meter for both Phase I and Phase II?

10.2 Is the fixed monthly metering charge of $9.50 designed to recover the cost of the meter, the cost to read the meters or both?

10.3 Are the apartment building meters all contained in one location or are they in the individual apartments?

10.4 Are the condominium meters all contained in one location or are they in the individual condo units?

10.5 On the basis of 800 units at $9.50 a month, SETES will be collecting $7,600 per month or $91,200 a year in metering charges. If the metering charge is to recover meter reading expenses please explain why it is expected to cost $91,200 a year to read the meters.

10.6 How often is SETES planning on doing actual meter readings?

10.6.1 If every month, what costs savings could result if meter readings were to be done every other month?

11.0 Reference: Fixed Costs
Exhibit B-1, Appendix B, CPCN Application, p. 26
Cost recovery

In the CPCN Application the floor space ratio of the project is forecast to be 63,172 square meters or 679,977 if converted to square feet.

11.1 Please confirm, or explain otherwise, that when taking Phase II into consideration and SETES is serving 800 customers it would take approximately 18.8 years to recover the $7.5 million capital cost of the TES approved in the CPCN from the monthly capacity levy without consideration of an interest on the balance. [($7.5 million /(679,977 square feet X $0.0489 per square foot/month X 12 months)]

11.2 What is the forecast useful life of the TES?

D. RATES – SPACE COOLING, SPACE HEATING, AND DOMESTIC HOT WATER

12.0 Reference: Variable Costs
Exhibit B-1, Section 5, pp. 7-8
BC Hydro Rate Schedule 1101
Rate design

Page 7 of the Application states:

> "The variable cost for space heating and domestic hot water heating match the arithmetic mean of Step 1 and Step 2 of BC Hydro's rate schedule 1101."

"The variable cost for space cooling per unit is half of the proposed cost for space heating and domestic hot water."

Page 8 of the Application states:

"The variable space cooling charge accounts for the energy charge for operating the plant and the demand charge for operating the plant."

"Creating space cooling is a high demand electricity process however, the applicant has elected to reduce tariff complexity for customer by only providing the energy and fixed charges to integrate the demand charge."

12.1 Please explain why SETES selected the arithmetic mean of BC Hydro's Step 1 and Step 2 rate for space heating and hot water.

12.2 Please explain why SETES has proposed to set the variable rate for space cooling at half to proposed rate for space heating and domestic hot water given that SETES states that space cooling is a high demand electricity process.

12.3 Please explain the following statement: "The variable space cooling charge accounts for the energy charge for operating the plant and the demand charge for operating the plant." Specifically, what is the demand charge that is being referred to here and why are both the energy charge and the demand charge used to recover the costs to operate the plant?

12.4 Please further explain the statement: "Creating space cooling is a high demand electricity process however, the applicant has elected to reduce tariff complexity for customer by only providing the energy and fixed charges to integrate the demand charge."

13.0 Reference: Variable Costs
Exhibit B-1: Section 5, p. 8; Appendix B, CPCN Application, pp. 17_28
Components

On page 8 of the Application, SETES states:

"Electric resistance coefficient-of-performance approaches unity. As such, the energy-component cost of creating the heat is approximately equal to the end-usage delivered heat. As such, the energy- component cost of creating the heat is approximately equal- to the end usage delivered."

"…but any costs savings in direct energy are balanced by an increase cost and risk due to the higher complexity of integrating multiple temperatures sources / multiple energy sources for single deliver of space heating / domestic hot water / space cooling to customers."

13.1 Please further explain these paragraphs. Does this mean that the amount of energy that comes out of the TES system is approximately equal to the amount of energy used as an input?

Page 17 of the CPCN Application states: "For heating it will use solar, sewage heat recovery, space cooling heat of rejection, and natural gas as a source of energy."

13.2 Please confirm, or explain otherwise, the SETES's largest input variable cost will be purchasing electricity from BC Hydro and natural gas from FortisBC.

13.2.1 Under what BC Hydro rate schedule will the SETES be charged?

Page 28 of the CPCN Application states that the feed costs are defined as electrical and natural gas costs directly from utilities to operate TES plant equipment and are estimated to be $141,000 per year in 2015 dollars.

13.2.2 Is this value still accurate? If not, please update and explain the reason for the variance.

13.2.3 Is this estimate based on full occupancy after Phase II is completed?

13.3 Please confirm or explain otherwise that on page 28 of the CPCN Application included as Appendix B to this application annual operating costs of $186,000 with $26,000 per year going to the sustainment capital fund.

13.3.1 Is this amount accurate? If not, please update.

13.3.2 Does this amount include both variable and fixed operating costs? If yes, please separate between variable and fixed.

13.3.3 Does this amount include meter reading costs? If not, why not?

14.0 Reference: Variable Cost
Exhibit B-1, Section 5, p. 7; Appendix A, Section C, p. 1; Appendix C, City of Vancouver Energy Utility System By-Law
Compared to SEFC

On page 7 of the Application SETES states that "Fixed cost have been selected to match the SEFC [City of Vancouver South East False Creek Energy Utility] rate as of 2016."

14.1 Please describe the rate structure for SEFC. If there is a variable rate for SEFC please explain what it is. If SETES is variable rate is proposed to be higher than SEFC please provide a rationale for the higher variable charge?

14.2 Please tie the SETES monthly capacity levy of $0.0489 set out in Appendix A, p. 1, to the relevant schedule in Appendix C, City of Vancouver Energy Utility System By-Law, making sure an appropriate conversation is made in order to compare the units.

15.0 Reference: Fixed Costs
Exhibit B-1, Appendix B, CPCN Application, p. 26
Load forecast

On page 26 of the CPCN Application the annual heating load is forecast to be 3,348 MWh [3,348,000 KWh] and the annual cooling load is expected to be 358 MWh [358,000 KWh].

15.1 Please confirm that this forecast is still accurate. If not, please update.

15.2 Does the annual heating load include both space heating and domestic hot water heating?

15.2.1 If not, please provide the data for domestic hot water.

15.3 At a high level, on an annual basis for both Phase I and Phase II, what are the forecast revenues from the proposed variable component of the rate? Would it be fair to estimate the variable rate revenues as $365,397 annually (3,348,000 kilowatt hours X $0.1036 $/kilowatt hour + 358,000 kilowatt hours X $0.0518 $/kilowatt hour)?

15.3.1 If not, please explain.

E. RATES – SUSTAINMENT CAPITAL FUND RATE RIDER

16.0 Reference: Sustainment Capital Fund Rate Rider
Exhibit B-1, Section 3.1, p. 5
Calculation of the Capital Reserve Fund (CFR)

Page 5 of the Application states that the "CRF is a reserve for the replacement of fundamental components of the TES plant" and that the "CRF requirements are assessed at $50,000 in today's dollars."

16.1 Please provide a table listing all the components of the TES plant that SETES considers fundamental and the corresponding replacement cost of each component.

16.2 Please provide a calculation showing how $50,000 for the CRF was reached.

16.3 Please provide a calculation on what the expected costs for replacement are expected to be in the next 5 year, 10 years, and 15 years.

Page 5 of the Application states: that the developer will contribute $50,000 for the initial balance of the CRF within seven days of this rates filing.

16.4 Please confirm, or explain otherwise, that the developer has made the $50,000 contribution.

17.0 Reference: Sustainment Capital Fund Rate Rider
Exhibit B-1, Section 3.1, pp. 5-6
Calculation of the Emergency Reserve Fund (EFR)

Page 5 of the Application states that the "ERF is a reserve for emergency repairs for the TES" and that the "ERF requirement is assessed at $26,000 in today's dollars."

17.1 Please explain why SETES determined that an ERF was required in addition to the CRF.

17.2 Please provide a definition of an emergency repair and how it differs from replacement.

17.3 Please explain how an assessment of $26,000 was reached and why it is an appropriate amount.

17.4 Please provide a calculation on what the expected costs for emergency repairs are expected to be in the next 5 year, 10 years, and 15 years.

Page 6 of the Application states that "The intent to build up the CRF such that the sustainment fund can be equitably funded throughout the life of the TES by all end users in communicated to customer in the terms and conditions."

17.5 When Phase II starts to require energy service, (and the fund is likely fully funded or at least partially funded) how will SETES ensure that Phase I customers are not subsidizing Phase II customers given that the Phase I customers have contributed to the full amount of the fund while the Phase II customers will also benefit from it.

18.0 Reference: Sustainment Capital Fund Rate Rider
Exhibit B-1: Section 3.1, pp. 5-6; Appendix B, CPCN Application, p. 28
Need

18.1 Why is there a need for two separate funds? Why not just one fund for both?

Page 28 of the CPCN Application states: "An analysis of the size and complexity of the project has determined that the capital reserve fund and the annual operating budget will sufficiently provide for an emergency repair fund."

Page 28 of the CPCN Application also shows that the annual operating budget includes $26,000 per year for sustainment capital.

18.2 Please confirm that the first $26,000 of emergency repairs or costs to sustain the TES will come out of the annual operating budget collected from customers through the variable and fixed portion of the rate and any amount in excess of that will be taken from the Sustainment Capital Fund and collected from the customer through the rate rider.

18.2.1 If confirmed, how will the $26,000 be tracked to ensure that it is not charged to the Sustainment Capital Fund?

18.2.2 If not confirmed, please explain why not.

18.3 Please fully explain how it will be determined if a costs for capital sustainment or repairs and maintenance to the TES will be recovered through the variable and fixed rates collected from customers or the Sustainment Capital Fund Rate Rider.

18.4 Please explain why the fixed and variable components of the rate are not sufficient to recover the costs for repairs and sustainment of the TES and why it is necessary to have the additional Sustainment Capital Fund Rate Rider?

18.5 Please provide evidence to support that these costs cannot be recovered through the fixed and variable components of the rate.

18.6 Both BC Hydro and SEFC (utilities who SETES proposed to peg its rates against) recover costs to repair and sustain capital assets through the fixed and variable components of their rate and do not have additional charge to recover such costs. Please explain why SETES requires this additional charge.

18.7 Given that that CRF assessment for TES systems were part of a draft framework that was not adopted please provide a rationale as to why the Commission should approve this component of the proposed rates?

18.8 Is SETES aware of any other TES's regulated by the BCUC that has a Sustainment Capital Fund or anything similar to it?

18.9 Is there a potential that the utility would not be viable if the Commission were to disallow the Sustainment Capital Funds? Please explain in detail.

19.0 Reference: Sustainment Capital Fund Rate Rider
Exhibit B-1, Section 3.1, pp. 5-6; Appendix B, CPCN Application, BCUC IR 1.9.9
Interest rate and trust account

In the Application on pages 5 and 6, SETES proposed a 1 percent interest rate on the CRF and the ERF.

19.1 What is the average prime rate of SWCRA principal bank for its most recent year?

19.2 What is SWCRA's Weighted Average Cost of Debt?

19.3 Please explain why either of these two rates would not be more appropriate.

The response to BCUC Information Request (IR) 1.9.9 in the CPCN Application, also attached as Appendix B2 to this Application, states that the Sustainment Capital Fund will be held in a segregated bank fund but not in trust for ratepayers.

19.4 Under SETES proposal that the funds be held in a separate bank account, what is the risk of access to the funds by ratepayers being lost if the SETES were to become insolvent?

19.5 If the funds were held in trust and the SETES became insolvent what is the risk that ratepayers would lose access to the funds?

19.6 Would SETES have any concerns if the Commission directed SETES to hold the funds in trust for ratepayers?

F. RATES – GENERAL

20.0 Reference: Rates Justification
Exhibit B-1, Section 5, p. 7
Alternative for customers

Page 7 of the Application states that "the City of Vancouver has intentionally limited customer choice to only Shannon Estates TES" and "the alternative for customers is to use electricity and privately install their own heating/cooling systems."

20.1 For each customer opting for the alternative, what are the financial implications, if any, on SETES and/or other customers?

20.2 How many of the current customers have opted, or are expected to opt, for the alternative?

20.3 Are customers required to pay an opt-out fee should they decide to privately install their own heating/cooling system and not use the Shannon Estates TES? If yes:

20.3.1 If yes, how much is the fee?

20.3.2 If yes, how was the fee determined?

20.3.3 If yes, why it was not included or addressed in the Terms & Conditions?

21.0 Reference: Rates
Exhibit B-1, Section 5, p. 7
British Columbia Hydro and Power Authority (BC Hydro) rate comparison

Page 7 of the Application states that "For comparison's sake the system is then compared to energy sources and technologies as commonly applied to residential buildings in comparable service area which would meet the low-carbon criteria."

21.1 Please confirm, or recalculate, that a customer occupying a 775 square foot unit (under the assumptions that space heating is consumed on average during the months of January–May and October–December, space cooling is consumed on average during the months of June–September and Hot Water is consumed evenly through the year) taking service from BC Hydro would have an annual bill of $511 per year, or $43 per month, as calculated in the table below.

775 Square Feet Example													
	TOTAL	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Space Cooling	350						87.5	87.5	87.5	87.5			
Space Heating	3750	468.75	468.75	468.75	468.75	468.75					468.75	468.75	468.75
Hot Water	1000	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33	83.33
Total kWh	5100	552.08	552.08	552.08	552.08	552.08	170.83	170.83	170.83	170.83	552.08	552.08	552.08
Tier 1 up to 675 kWh		0.0829	0.0829	0.0829	0.0829	0.0829	0.0829	0.0829	0.0829	0.0829	0.0829	0.0829	0.0829
Total Tier 1 Energy Charge		$ 45.77	$ 45.77	$ 45.77	$ 45.77	$ 45.77	$ 14.16	$ 14.16	$ 14.16	$ 14.16	$ 45.77	$ 45.77	$ 45.77
Rate Rider 5%		$ 2.29	$ 2.29	$ 2.29	$ 2.29	$ 2.29	$ 0.71	$ 0.71	$ 0.71	$ 0.71	$ 2.29	$ 2.29	$ 2.29
Basic Charge		5.58	5.58	5.58	5.58	5.58	5.58	5.58	5.58	5.58	5.58	5.58	5.58
Total annual	**$ 511**	**$ 53.64**	**$ 53.64**	**$ 53.64**	**$ 53.64**	**$ 53.64**	**$ 20.45**	**$ 20.45**	**$ 20.45**	**$ 20.45**	**$ 53.64**	**$ 53.64**	**$ 53.64**
Average per month	**$ 43**												

21.2 Please confirm, or recalculate, that a customer occupying a 2000 square foot unit (under the assumptions that space heating is consumed on average during the months of January–May and October–December, space cooling is consumed on average during the months of June–September and Hot Water is consumed evenly through the year) taking service from BC Hydro would have an annual bill of $1919 per year, or $160 per month as calculated in the table below.

2000 Square Feet Example													
	kWh	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Space Cooling	850						212.5	212.5	212.5	212.5			
Space Heating	12000	1500	1500	1500	1500	1500					1500	1500	1500
Hot Water	3850	320.8	320.8	320.8	320.8	320.8	320.8	320.8	320.8	320.8	320.8	320.8	320.8
Total kWh	16700	1820.8	1820.8	1820.8	1820.8	1820.8	533.3	533.3	533.3	533.3	1820.8	1820.8	1820.8
0.0829		675	675	675	675	675	533.3	533.3	533.3	533.3	675	675	675
Tier 1 Energy Charge		$ 55.96	$ 55.96	$ 55.96	$ 55.96	$ 55.96	$ 44.21	$ 44.21	$ 44.21	$ 44.21	$ 55.96	$ 55.96	$ 55.96
0.1243		1145.8	1145.8	1145.8	1145.8	1145.8	0	0	0	0	1145.8	1145.8	1145.8
Tier 2 Energy Charge		$ 142.42	$ 142.42	$ 142.42	$ 142.42	$ 142.42	$ -	$ -	$ -	$ -	$ 142.42	$ 142.42	$ 142.42
Total Energy Charge		$ 198.38	$ 198.38	$ 198.38	$ 198.38	$ 198.38	$ 44.21	$ 44.21	$ 44.21	$ 44.21	$ 198.38	$ 198.38	$ 198.38
Rate Rider 5%		$ 9.92	$ 9.92	$ 9.92	$ 9.92	$ 9.92	$ 2.21	$ 2.21	$ 2.21	$ 2.21	$ 9.92	$ 9.92	$ 9.92
Basic Charge		$ 5.58	$ 5.58	$ 5.58	$ 5.58	$ 5.58	$ 5.58	$ 5.58	$ 5.58	$ 5.58	$ 5.58	$ 5.58	$ 5.58
Total annual	$ 1,919	$ 213.88	$ 213.88	$ 213.88	$ 213.88	$ 213.88	$ 52.00	$ 52.00	$ 52.00	$ 52.00	$ 213.88	$ 213.88	$ 213.88
Average per month	$ 160												

21.3 Please confirm that the table below comparing SETES proposed rates to BC Hydro's rates is accurate. If not, please update.

	MONTHLY	
	SETES	BC Hydro
775 sq foot unit	$107	$43
2000 sq foot unit	$264	$160

21.4 Please provide a table comparing what SETES proposed rate for a 775 square foot unit and a 2000 square foot unit would be under the SEFC rates and at least two thermal energy systems utilities regulated by the Commission.

22.0 Reference: General
Exhibit B-1, Section 5, p. 8
Energy conservation rate

On page 8 of the Application, SETES states: "Additionally providing a price advantage based on the efficiency of the plant would be inconsistent with the SEFC's concept of an energy conservation price signal. (An energy conservation price signal has no correlation to operational cost but reflects societal intent.) The SEFC's concept to encourage reduced energy consumption is by penalizing unnecessary thermal energy usage. Likewise, Shannon Estates TES will use an energy conservation price signal to discourage unnecessary thermal energy usage."

22.1 Are the proposed rates set solely on the basis of an energy cost price signal or are they also deigned with costs recovery in mind?

22.2 What is SETES's debt carrying cost for the TES capital cost of $7.5 million approved in the CPCN Application expected to be annually for the next five years?

22.3 What is SETES's expected net profit forecast for the next five years?