



July 9, 2018

Sent via email/eFile

CLASS EXEMPTION FOR BC HYDRO CUSTOMERS UNDER CERTAIN LEASE ARRANGEMENTS EXHIBIT A-6
--

Ministry of Energy, Mines & Petroleum Resources
PO Box 9060, Stn Prov Govt
Victoria, BC V8W 9E2
EMPR.Minister@gov.bc.ca

Re: Request for a Class Exemption Pursuant to Sections 88(1) and 88(3) of the *Utilities Commission Act* for British Columbia Hydro and Power Authority Customers that Resell Electricity Under Certain Lease Arrangements – Project No. 1598898 – Revised Panel Report

Dear Minister:

On December 15, 2016, the BCUC issued order G-191-16 initiating a proceeding to consider a class exemption pursuant to sections 88(1) and 88(3) of the *Utilities Commission Act* (UCA) for all British Columbia Hydro and Power Authority (BC Hydro) customers with lease arrangements, where the lessor, not otherwise a public utility, provides electricity only to the lessee for a period greater than five years, providing the service or commodity is not resold to or used by others and meets the criteria of BC Hydro Electric Tariff Terms and Conditions for the Resale of Electricity and where all other requirements of the UCA are met.

The BCUC requested written submissions from registered interveners wishing to participate. Intervenors were asked to provide comments on the draft exemption, as set out in Directive 2 of Order G-191-16.

On January 20 and March 31, 2017, submissions were received from the following intervenors: Templeton LP (Templeton); BC Hydro; Commercial Energy Consumers Association of British Columbia (CEC) and Onni Group (Onni).

On June 9, 2017, the BCUC issued its initial Panel report (attached as Appendix A). In that report, the Panel considered and was satisfied that a class of cases exemption serves the public interest and sought the advance approval of the Minister of Energy and Mines to issue an order under section 88 based on the draft order (Initial Panel Report).

On April 3, 2018, the BCUC received a letter from the Office of the Minister of Energy and Mines requesting resubmission of the draft order contained in the Initial Panel Report in a revised form that is clearer with respect to the exemption criteria.

On May 15, 2018, registered parties were requested to provide comments on the amended order incorporating the edits advised by the Ministry. On May 24, 2018, submissions were received from BC Hydro and CEC, which were in support of the amended order.

The BCUC has prepared an Addendum to the Initial Panel Report to address the comments submitted on May 24, 2018.

The BCUC encloses the following documents in support of the described exemption:

- Initial Panel Report as Appendix A
- Addendum to the Initial Panel Report as Appendix B
- Amended Draft Order as Appendix C

Documents filed in connection with this matter are available on the proceeding webpage, which can be found on our website under “Current Applications.”

Sincerely,

Original signed by:

Patrick Wruck
Commission Secretary

ML/ad
Enclosure

Class Exemption under section 88 of the *Utilities Commission Act* for
British Columbia Hydro and Power Customers that Resell
Electricity under Certain Lease Arrangements

INITIAL PANEL REPORT

1.0 BACKGROUND

The British Columbia Utilities Commission (Commission), under the jurisdiction of the *Utilities Commission Act* (Act, UCA), regulates public utilities as defined in the Act. In section 1 of the Act, the definition of a public utility excludes persons who provide service to their tenants, as long as the length of the lease is five years or less. Where the lease is more than five years, there is no such exclusion, thus the lessor providing or selling electricity is a public utility as defined in the Act, unless it is excluded for other reasons.

Under section 88(3) of the UCA, the Commission may, with the advance approval of the Minister responsible for the administration of the *Hydro and Power Authority Act*, exempt a person from any or all provisions of the UCA. Further, under section 88(1), the Commission may make an exemption apply to a particular class of cases.

On August 4, 2015, by Order G-131-15, the Commission, with advance approval from the Lieutenant Governor in Council, ordered that Templeton Designer Outlet Centre Limited Partnership (Templeton) be exempt from Part 3 of the UCA except for sections 25, 38, 41 and 42, for the purpose of resale of electricity to its lessees, with a term exceeding five years, at the Regional Designer Outlet Centre located at Vancouver International Airport in Richmond, British Columbia. Also, the Commission Order exempted both Templeton and its tenant lessees, provided that the lessees are not reselling electricity, from section 71 of the UCA (collectively, Templeton Exemption). These exemptions were conditional on Templeton's compliance with the British Columbia Hydro and Power Authority (BC Hydro) Electric Tariff Terms and Conditions for the Resale of Electricity¹. The Templeton Exemption remains in effect until the Commission, after conducting a hearing, orders the exemption no longer applies.

On September 27, 2016, Shape Property Management Corp. (Shape Property Management) filed an application with the Commission for an exemption from Part 3 of the *Utilities Commission Act* (UCA) with respect to the resale of metered electricity to tenants with leases longer than five years, for three developments, all located at 3122 Mt Lehman Road, Abbotsford.

Being mindful of these two matters, on December 15, 2016, by Order G-191-16, the Commission found it to be warranted and in the public interest to initiate a proceeding to consider whether a class exemption is appropriate in the matter of all BC Hydro customers with lease arrangements, where the lessor, not otherwise a public utility, provides electricity only to lessees where the lease period is greater than five years, if the service or commodity is not resold to or used by others and meets the criteria of the BC Hydro Electric Tariff Terms and Conditions for the Resale of Electricity and where all other requirements of the *Utilities Commission Act* are met.

¹ Subsection 9.2, in effect prior to April 1, 2017, of the BC Hydro Electric Tariff Terms and Conditions stated:

If a Customer wishes to sell Electricity which the Customer has purchased from BC Hydro to a tenant of that Customer on the same Premises on a metered basis, then the Customer shall agree that the selling price for such Electricity shall not exceed the price which BC Hydro would have charged had that tenant been a Customer of BC Hydro. This requirement shall be included in an agreement for resale between BC Hydro and the Customer.

The purpose of the proposed class exemption is to enhance regulatory efficiency by relieving a class of public utility from some provisions of the UCA, where the public interest is not served by such regulation. The proposed exemption applies only to BC Hydro customers, since the BC Hydro Electric Tariff has provisions relating to the resale of electricity, including a resale agreement, whereas most other utilities in BC lack comparable resale conditions in their tariffs and issuing exemptions would require more comprehensive proceedings.

2.0 REGULATORY PROCESS FOLLOWED

Commission Order G-191-16 proposed a draft exemption order and invited submissions from intervenors. Intervenors were specifically requested to address the following questions:

- 1) Should this proposed class exemption be granted?
- 2) If so, are the terms and conditions proposed in the draft exemption order satisfactory?
- 3) Should any further regulatory process be held to consider this matter and why? And if so, what process should be held?

The following parties registered as intervenors:

- Shape Property Management;
- Commercial Energy Consumers Association of British Columbia (CEC);
- Templeton Designer Outlet Centre Limited Partnership (Templeton);
- BC Hydro;
- Quadlogic Meters Canada Inc.;
- Onni Group (Onni); and
- Building Owners and Managers Association of British Columbia.

On January 20, 2017, submissions regarding the above questions were received. Submissions received from CEC, Templeton, BC Hydro and Onni were all in favour of the proposed class exemption, and provided suggestions and commentary regarding the proposed order. Onni submitted that no further process was required². Templeton submitted that a further regulatory process be undertaken to consider whether a similar exemption should apply to the re-sale of (i) electricity purchased from suppliers other than BC Hydro and (ii) other forms of energy including natural gas³. CEC indicated that it would be satisfied if the Commission moved directly to a decision with consideration of issues raised⁴.

Upon consideration of the submissions, the Panel made revisions and issued Order G-38-17 on March 16, 2017, requesting responses to the following questions:

- 1) Do you believe that the revised draft exemption order, as attached as Appendix B, provides adequate conditions to ensure that any variance between what a lessor pays BC Hydro for electricity and the charges lessors make to their lessees is reasonable?
- 2) Do you believe that the proposed exemption would have any significant negative impacts on BC Hydro or its ratepayers? If so, please elaborate.

² Exhibit C6-2, p.3

³ Exhibit C3-2, p.3

⁴ ExhibitC2-2, p.1

- 3) Do you believe that the proposed exemption would have any significant impact on the efficacy of demand-side measures?

Responses to these questions were subsequently received from CEC, Templeton and BC Hydro. While all interveners were supportive of the final draft order for the proposed class exemption, a number of considerations were raised or reiterated, which are discussed below under the section entitled Panel Discussion.

3.0 PANEL DISCUSSION

The Panel finds that an exemption, commensurate with the proposed directives in the draft order, is warranted and seeks the advance approval of the Minister responsible for the administration of the *Hydro and Power Authority Act* pursuant to section 88 of the Act.

While the Panel concurs with interveners that the proposed draft exemption provides relief from regulatory burden with sufficient provisions to adequately protect tenants, it will now address certain considerations that were raised or reiterated by those interveners.

3.1 Reasonable variance between BC Hydro and lessors' charges to lessees

The Panel notes that there might be differences between what BC Hydro would charge for electricity to exempt lessors, and what those lessors would charge their lessees for the same volume of electricity. In Order G-38-17, the Panel asked interveners to comment on whether the proposed exemption order would ensure that such differences were reasonable.

CEC⁵ and Templeton⁶ believe that the proposed class exemption order provides adequate protection to lessees.

BC Hydro commented on an unasked but related question, namely the possible differences between what exempt lessors would charge lessees compared to what BC Hydro would have charged the lessees had they been a customer of BC Hydro.

BC Hydro notes⁷ that the proposed class exemption does not speak directly to the issue of what an exempt lessor could charge lessees for electricity purchased from the lessor. BC Hydro quotes the BC Hydro Electric Tariff (Tariff) section 9.2, in effect until March 31, 2017. However, the Panel notes that this section of the Tariff was changed on April 1, 2017, and that this section has also been renumbered to be 9.1. This revised section 9.1 of the Tariff (Revised Tariff) reads as follows:

If a Customer wishes to resell to a tenant of the Customer at the same Premises and on a metered basis Electricity provided by BC Hydro to the Customer, the price for such Electricity will not exceed the price that BC Hydro would have charged had such tenant been a Customer of BC Hydro. This requirement will be included in an agreement for resale between BC Hydro and the Customer.

Regardless of the change in wording of the Revised Tariff, BC Hydro's point in its letter dated March 31, 2017⁸ still stands, namely that the Revised Tariff uses the word "tenant" in the sense in which it is used in the Act, i.e. that it does not include lessees whose lease term is longer than five years, and hence the Revised Tariff does not

⁵ Exhibit C2-3, p.1

⁶ Exhibit C3-3, p.1

⁷ Exhibit C4-3, p.2

⁸ Exhibit C4-3, pp.2-4

limit lessors in how much they may charge their lessees. The Panel notes that the term “tenant” is not defined in the Tariff and sees no basis for interpreting the word “tenant” in any way other than its usual meaning.

However, section 9.1 of the Revised Tariff specifically relates to lessors providing electricity to lessees “on a metered basis”. The Panel considers that the proposed exemption should apply whether or not the lessees’ electricity use is metered, since this would provide lessors the option to charge on other bases, such as floor space allocation, and avoid the cost of metering. Thus section 9.1 of the Revised Tariff is not sufficient to cover all anticipated lease arrangements, regardless of the interpretation of the word “tenant”.

BC Hydro provides⁹ three reasons why an exempt lessor’s charges to its lessees would not be unreasonably more than what BC Hydro would charge the lessor, and why an exempt lessor’s charges for electricity would not be unreasonably higher than what BC Hydro would have charged the lessee if they had been a BC Hydro customer. The Panel agrees that these reasons are pertinent, but notes that the Templeton Exemption included a specific rate cap¹⁰, whereby Templeton may not charge its lessees more than BC Hydro would have charged if the lessee were a customer of BC Hydro. The Templeton Exemption contains no provision to limit Templeton’s charges to their lessees with regard to what BC Hydro charges Templeton.

The Panel finds that, for the purpose of clarity and certainty, the rate cap applied in the Templeton Exemption is appropriate to this proposed exemption, and finds that BC Hydro’s suggested wording change to section 1 of Directive 1 of the proposed order is appropriate, namely:

Exempts from section 71 and Part 3 of the UCA except for sections 25, 38, 41 and 42, all BC Hydro customers with lease arrangements, where the lessor, not otherwise a public utility, provides electricity only to the lessee where the lease period is greater than five years, if the service or commodity is not resold to or used by others and meets the criteria of the BC Hydro Electric Tariff and Terms and Condition, as amended from time to time, as applicable and also where the lessor’s charges to its lessee do not exceed what BC Hydro would have charged had the lessee been a customer of BC Hydro, for the Resale of Electricity and where all other requirements of the UCA are met. *(Suggestion underlined)*

3.2 Negative impact on BC Hydro or its ratepayers

The Panel asked interveners whether they had concerns about the effects of the proposed exemption on BC Hydro or its ratepayers.

Templeton¹¹ did not believe that BC Hydro or its ratepayers would be negatively affected, and suggested there would be some circumstances in which lessors’ willingness to supply electricity may benefit BC Hydro.

CEC argued¹² that BC Hydro ratepayers would not be protected from under-recovery in the situation where BC Hydro charges a lessor less than BC Hydro would have charged the lessees if the lessees had been customers of BC Hydro. BC Hydro disagreed¹³, stating that the rate for each of its customer classes is designed to recover the costs of serving the customers in that class.

⁹ Exhibit C4-3, pp.3–4

¹⁰ Templeton LP 2015 Application for Exemption Pursuant to Section 88(3) of UCA , Order G-131-15, p. 2, Recital F

¹¹ Exhibit C3-3, p.1

¹² Exhibit C2-3, pp.1–2

¹³ Exhibit C4-3, p.4

The Panel agrees with BC Hydro in that its rates are designed for the purpose of cost recovery. Therefore, any potential shift in customers between BC Hydro customer rate classes should not have a negative impact on BC Hydro customers as the resulting reduction of revenues would be offset by an associated reduction in cost.

3.3 Significant impact on the efficacy of demand-side measures

The Panel sought input on whether the proposed class exemption would have significantly reduced the efficacy of BC Hydro's demand-side measures (DSM).

Templeton states¹⁴ that the proposed exemption will not have a significant impact on DSM, citing market conditions in commercial real estate which motivate lessors to improve energy efficiency. BC Hydro agrees¹⁵, noting that existing DSM programs for commercial and residential lessors and lessees will remain available. CEC disagrees¹⁶, noting that lessees may become separated from price signals should their lessor be granted the proposed exemption, and may not witness such price signals at all.

The Panel agrees with CEC that there may be some disconnection between lessees and price signals from BC Hydro to reduce consumption as a result of the proposed exemption. However, the Panel notes that many DSM programs will still be available to both lessors and lessees. Further, the competitive nature of the commercial real estate market suggests that, whether the price signal is sent to the lessor or the lessee, there should be sufficient incentive to reduce consumption. The Panel finds that the possible negative impact on DSM measures is not sufficiently concerning to outweigh the benefits of the proposed exemption. However, the Panel would encourage BC Hydro to consider future DSM initiatives that would target lessees in general.

3.4 Prior Templeton exemption

Templeton asks¹⁷ that, should the proposed exemption be granted and subsequently either restricted or cancelled, then the Templeton Exemption should not be affected, since the Templeton Exemption was granted on its own merits. The Panel notes that there is nothing in the proposed exemption that rescinds the Templeton Exemption, which is a separate and distinct exemption. However, it is beyond the scope and powers of this proceeding and Panel to limit or speculate on the future actions of the Commission or Government in this regard.

3.5 Characterization of certain lessors as public utilities

Templeton observed¹⁸ that lessors with leases five years or less in length are excluded from the definition of public utilities in the Act, whereas lessors with leases of more than five years would remain public utilities, but be exempted some certain provisions of the Act. Templeton regards the distinction based on the length of the leases as arbitrary, and requests that the Commission amend the proposed order to remove the characterization of lessors exempted as "public utilities".

BC Hydro disagrees¹⁹, noting that there is a distinction between exempting certain lessors from some provisions of the Act, which is at the discretion of the Commission and the Minister, and the exclusion of other lessors, which was a right established by the legislature in the Act.

¹⁴ Exhibit C3-3, p.2

¹⁵ Exhibit C4-3, p.5

¹⁶ Exhibit C2-3, p.3

¹⁷ Exhibit C3-2, p.2

¹⁸ Exhibit C3-3, p. 2

¹⁹ Exhibit C4-3, p.5

The Panel notes that this proposed exemption has been made to provide relief from Part 3 – “Regulation of Public Utilities” of the Act. Part 3 of the Act generally applies to entities that meet the definition of a “public utility” within section 1 of the Act (Public Utilities). Thus, only Public Utilities may benefit from relief under this proposed exemption. Removing from the proposed order the characterization of lessors thus exempted as “public utilities” does not change the fact that they are Public Utilities. The Panel agrees with BC Hydro, and finds that the text as proposed provides useful clarity in terms of the distinction between lessors exempted from certain aspects of the Act, and lessors to whom the Act does not apply. Critically for the Panel, the exemption for certain lessors may be rescinded by the Commission, whereas the Provincial Legislature would be required to change the Act to apply the Act to lessors to whom the Act does not apply.

3.6 Importance of the five-year lease term

Templeton²⁰ and CEC raised²¹ the issue of the importance of the five-year lease term in the Act, and whether it should be varied. BC Hydro²² refers to its submission in the Templeton proceeding, which includes a history of the reasons for the five-year rule.

The Panel notes that the five-year rule is enshrined in the Act and that it is beyond the scope and powers of this proceeding and Panel to speculate on its merits or makes changes to the Act.

3.7 Certain lessees paying less

CEC asks²³ if it is possible and if so if it is appropriate, for certain lessees to pay less than what they would have paid as a BC Hydro customer for their electricity as a result of buying their electricity from the lessor. BC Hydro²⁴ notes that this is possible, and does not believe it to be problematic. BC Hydro adds that this is a situation that can also arise when a lessor includes utility costs in lessees’ rent or in overhead.

The Panel agrees with BC Hydro that this situation may exist, and is not problematic given the nature and flexibility of lease agreements. General BC Hydro customers will not be negatively affected by such arrangements since rates are designed on a cost of service basis, as discussed in section 4.2 of this report.

²⁰ Exhibit C3-2, p.2

²¹ Exhibit C2-2, p.2

²² Exhibit C4-3, p.6

²³ Exhibit C2-2, p.2

²⁴ Exhibit C4-3, p.6

Class Exemption under section 88 of the *Utilities Commission Act* for
British Columbia Hydro and Power Customers that Resell
Electricity under Certain Lease Arrangements

ADDENDUM TO THE INITIAL PANEL REPORT

1.0 REGULATORY PROCESS FOLLOWED

In its Initial Panel Report, dated June 9, 2017, the Panel considered and indicated that it was satisfied that a class of cases exemption for British Columbia Hydro and Power Authority (BC Hydro) customers that resell electricity under certain lease agreements serves the public interest and on June 9, 2017, the British Columbia Utilities Commission (BCUC) sought the approval of the Minister of Energy and Mines to issue an order under section 88 based on a draft order.

On April 3, 2018, the BCUC received a letter from the Office of the Minister of Energy and Mines in relation to the Initial Panel Report requesting resubmission of the draft order in a revised form that is clearer with respect to the exemption criteria.

On May 15, 2018, the BCUC invited all registered parties to provide comments on the amended draft order in the format requested by the Minister of Energy and Mines.

Comments on the amended draft order were subsequently received from the Commercial Energy Consumers Association of British Columbia (CEC) and BC Hydro. While all interveners were supportive of the amended draft order, one consideration was raised, which is discussed below.

2.0 UPDATED PANEL DISCUSSION

BC Hydro stated that it has no objection to the amended draft order as it “does not appear to include any substantive changes other than clarity of the wording as requested by the Ministry.”¹

CEC states that it supports the amended draft order though suggests for clarity that the word “and” be added to Directive 1 so it reads “...exempts, and in any case meeting the criteria of the class of cases described in Directive 2.”²

The Panel has reviewed the comments received and does not concur with CEC’s suggestion for the further amendment. The Panel finds that the amended draft order contains a sufficient level of clarity in its current format without the addition of the term “and”.

Therefore, the Panel recommend that the Ministry of Energy and Mines approve the amended draft order in its current form as proposed by the Ministry of Energy and Mines.

¹ Exhibit C-4-4, p. 1.

² Exhibit C-2-4, p. 1.

DATED at the City of Vancouver, in the Province of British Columbia, this 9th day of July 2017.

Original signed by:

Richard Revel
Panel Chair/Commissioner



bcuc
British Columbia
Utilities Commission

Suite 410, 900 Howe Street
Vancouver, BC Canada V6Z 2N3
bcuc.com

P: 604.660.4700
TF: 1.800.663.1385
F: 604.660.1102

ORDER NUMBER

G-xx-xx

IN THE MATTER OF

the *Utilities Commission Act*, RSBC 1996, Chapter 473

and

A Class Exemption Pursuant to Section 88(3) of the *Utilities Commission Act*
for British Columbia Hydro and Power Customers that Resell
Electricity under Certain Lease Arrangements

BEFORE:

Panel Chair/Commissioner
Commissioner
Commissioner

on [Date]

DRAFT ORDER

WHEREAS:

- A. On September 27, 2016, Shape Property Management Corp. (Shape Property Management) filed an application with the British Columbia Utilities Commission (BCUC) for an exemption from Part 3 of the *Utilities Commission Act* (UCA) with respect to the resale of metered electricity to tenants with leases longer than five years, for three developments, all located at 3122 Mt Lehman Road, Abbotsford;
- B. Under the UCA, certain entities that lease out commercial properties for more than five years (Lessors) to commercial tenants (Lessees) can be, by definition of the UCA, a public utility;
- C. On October 26, 2007, by Order G-130-07, the BCUC approved the British Columbia Hydro and Power Authority (BC Hydro) Electric Tariff Terms and Conditions for the Resale of Electricity. Subsection 9.2. of the BC Hydro Electric Tariff Terms and Conditions states:

If a Customer wishes to sell Electricity which the Customer has purchased from BC Hydro to a tenant of that Customer on the same Premises on a metered basis, then the Customer shall agree that the selling price for such Electricity shall not exceed the price which BC Hydro would have charged had that tenant been a Customer of BC Hydro. This requirement shall be included in an agreement for resale between BC Hydro and the Customer;
- D. On August 4, 2015, By Order G-131-15, the BCUC, with advanced approval from the Lieutenant Governor in Council, ordered that Templeton Designer Outlet Centre Limited Partnership (Templeton LP) be exempt from Part 3 of the UCA except for sections 25, 38, 41 and 42, for the purpose of resale of electricity to its lessees, with a term exceeding five years, at the Regional Designer Outlet Centre located at Vancouver International Airport in Richmond, British Columbia. The order also exempted both Templeton LP and its tenant lessees, provided that the lessees are not reselling electricity, from section 71 of the UCA

(collectively, Templeton LP Exemption). These exemptions were conditional on Templeton LP's compliance with the BC Hydro Electric Tariff Terms and Conditions for the Resale of Electricity. The Templeton LP Exemption remains in effect until the BCUC, after conducting a hearing, orders the exemption no longer applies;

- E. On December 15, 2016, by way of Order G-191-16, the BCUC initiated a proceeding to consider a class of exemption cases pursuant to section 88(1) and 88(3) of the UCA for all BC Hydro customers with lease arrangements, where the Lessor, not otherwise a public utility, provides electricity only to the Lessee, where the lease period is greater than five years, if the service or commodity is not resold to or used by others and meets the criteria of BC Hydro Electric Tariff Terms and Conditions for the Resale of Electricity and where all other requirements of the UCA are met;
- F. On January 20 and March 31, 2017, following Orders G-191-16 and G-38-17, the BCUC received comments from the registered interveners on the proposed exemption;
- G. By Ministerial Order XXX dated XXX and the attached Appendix XX to this order, the Minister responsible for the administration of the *Hydro and Power Authority Act* granted advance approval to the BCUC for the proposed exemption;
- H. The BCUC has considered the information and finds that a class exemption is warranted and in the public interest.

NOW THEREFORE the British Columbia Utilities Commission orders as follows:

1. Pursuant to sections 88(1) and 88(3) of the *Utilities Commission Act* (UCA), the BCUC, having been granted advance approval by the Minister responsible for the administration of the *Hydro and Power Authority Act*, effective the date of this order, exempts, in any case meeting the criteria of the class of cases described in Directive 2:
 - a) the lessor from section 71 and Part 3 of the UCA except for sections 25, 38, 41 and 42, and
 - b) the lessee from section 71 of the UCA.
2. The exemptions outlined in Directive 1 apply to the class of cases that meet all of the following criteria:
 - a) a lessor provides electricity purchased from British Columbia Hydro and Power Authority (BC Hydro) to a lessee at a cost that does not exceed what BC Hydro would have charged for the electricity had the lessee been a customer of BC Hydro;
 - b) the term of the lease arrangement between the lessor and lessee is greater than five years;
 - c) the lessor is not otherwise a public utility;
 - d) the electricity provided by the lessor is not resold by the lessee;
 - e) both the lessor and lessee comply with any applicable provisions of the BC Hydro Electric Tariff and Terms and Conditions, as amended from time to time;
 - f) the lessor registers as an exempt public utility by submitting a letter to the BCUC indicating the lessor's name, physical location of the lessor's operations and the approximate number of tenants of the lessor; and
 - g) the lessor and lessee meet all other requirements of the UCA.

3. The exemptions referred to in Directive 1 of this order remain in effect until the BCUC, after conducting a hearing, orders that the exemption no longer applies.

DATED at the City of Vancouver, in the Province of British Columbia, this [XX] day of [Month Year].

BY ORDER

[Name]
Commissioner