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**Patrick Wruck**  
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March 8, 2018

<b>FAES 2018/19 RR &amp; CoS TES</b>
<b>DELTA SCHOOL DISTRICT      EXHIBIT A-2</b>

Via eFile

Mr. Doug Slater  
General Manager  
FortisBC Alternative Energy Services Inc.  
10<sup>th</sup> Floor, 1111 West Georgia Street  
Vancouver, BC V6E 4M3  
FAES.Regulatory.Affairs@fortisbc.com

**Re: FortisBC Alternative Energy Services Inc. 2018/2019 Revenue Requirements and Cost of Service Rates  
Application for the Thermal Energy Service to Delta School District No. 37 – Project Number 1598949 –  
Procedural Conference**

Dear Mr. Slater:

Further to your February 8, 2018 filing of the above noted application, enclosed please find Commission Order G-56-18 establishing a regulatory timetable for a Procedural Conference.

Sincerely,

*Original signed by:*

Patrick Wruck  
Commission Secretary

/yl  
Enclosure



**ORDER NUMBER**  
**G-56-18**

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

and

FortisBC Alternative Energy Services Inc.  
Application for Approval of the Fiscal 2018/2019 Revenue Requirements and Cost of Service Rates  
for the Thermal Energy Service to Delta School District No. 37

**BEFORE:**

W. M. Everett, QC, Panel Chair/Commissioner  
A. K. Fung, QC, Commissioner  
M. Kresivo, QC, Commissioner

on March 8, 2018

**ORDER**

**WHEREAS:**

- A. On February 8, 2018, pursuant to sections 59-61 of the *Utilities Commission Act* (UCA), FortisBC Alternative Energy Services Inc. (FAES) applied to the British Columbia Utilities Commission (Commission) for approval of its revenue requirements and rates for the thermal energy service to Delta School District No. 37 (DSD) based on a proposed switch from the current market rate to the cost of service (COS) rate of \$0.223 per kilowatt-hour (kWh) effective July 1, 2018, for the fiscal and contract year from July 1, 2018 to June 30, 2019 (Application);
- B. In the Application, FAES also requests pursuant to section 89 of the UCA that if the Commission is unable to render its decision on the Application before July 1, 2018, the Commission approve the COS rate of \$0.223 per kWh on an interim and refundable basis effective July 1, 2018;
- C. By Order G-31-12 and accompanying reasons for decision dated March 9, 2012, the Commission approved the provision of thermal energy service to DSD subject to proof of assignment to FAES. Proof of assignment was filed, and on March 16, 2012, the Commission issued Order C-3-12 granting a Certificate of Public Convenience and Necessity to FAES and approving the annual rate setting mechanism;
- D. By Order G-88-12 dated June 25, 2012, the Commission approved the Market Rate mechanism as well as the COS rate for 2012/13. The Commission further approved the COS rate for fiscal 2013/14, 2014/15 and 2015/16 by Orders G-81-13, G-100-14 and G-213-15, respectively;

- E. By Order G-53-16 dated April 26, 2016, the Commission granted, among other things, a variance of Order G-100-14 which eliminated the requirement for FAES to file annual revenue requirements filings and various other financial information, and instead required FAES to file annually an estimate of the DSD deferral account as of July 1 of the applicable calendar year and the forecast COS rate for the upcoming calendar year; and
- F. The Commission has commenced review of the Application and considers that a procedural conference is warranted.

**NOW THEREFORE** the Commission orders as follows:

1. A procedural conference is established and will be held at 9:00 a.m. on Thursday, April 5, 2018, as set out in the regulatory timetable attached as Appendix A to this order. The procedural conference, in part, will address the level of public intervention to be permitted in the proceeding. Accordingly, determinations on requests to intervene will not be rendered until after the procedural conference. Participant funding will not be considered for those parties who attend the procedural conference but are subsequently not accepted as interveners. Further information on the procedural conference, including the items to be addressed by attendees, is outlined in Appendix B to this order.
2. As soon as reasonably possible, FAES is to publish the Application and this order on its website and is to make these materials available for inspection at the FAES Office, 1111 West Georgia Street, Vancouver, BC, V6E 4M3.
3. FAES is directed to provide a copy of the Application to all registered interveners and interested parties in the original Certificate of Public Convenience and Necessity proceeding held in 2011, as well as the BC Ministry of Education, and the BC Ministry of Environment.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 8<sup>th</sup> day of March 2018.

BY ORDER

*Original signed by:*

W. M. Everett, QC  
Commissioner

Attachment

FortisBC Alternative Energy Services Inc.  
Application for Approval of the Fiscal 2018/2019 Revenue Requirements and Cost of Service Rates  
for the Thermal Energy Service to Delta School District No. 37

**REGULATORY TIMETABLE**

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Action	Date (2018)
Procedural Conference*	Thursday, April 5 Commencing at 9:00 a.m.
Further process	To be determined

\*Location: Commission Hearing Room  
12<sup>th</sup> Floor, 1125 Howe Street  
Vancouver, BC

FortisBC Alternative Energy Services Inc.  
Application for Approval of the Fiscal 2018/2019 Revenue Requirements and Cost of Service Rates  
for the Thermal Energy Service to Delta School District No. 37

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**Procedural Conference Information**

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The purpose of the procedural conference is to hear from FortisBC Alternative Energy Services Inc. (FAES), Delta School District No. 37 (DSD), and other parties on the appropriate level of intervention and the regulatory process for the review of the Application.

In the Application, FAES states: “Involving other groups in the process that are neither parties to the agreement, nor have a direct financial stake in the outcome, would be inefficient. It would lengthen and complicate the process. The additional regulatory costs would serve to increase the DDA [District Deferral Account] balance unnecessarily.” FAES further states that the Application should be reviewed through a written hearing process.<sup>1</sup>

DSD disagrees with FAES’ proposals and states: “It is evident that DSD and FAES are not the only parties who would be interested in the FAES’ application” and further states that other parties, including but not limited to, the BC Ministry of Education, the BC Ministry of Environment and the BC Ministry of Energy and Mines would have an interest in the proceeding. DSD also states that the review of the Application should include an oral hearing component.<sup>2</sup>

The Panel requests that parties address the following items at the procedural conference:

- Whether other parties beyond FAES and DSD should participate in the proceeding, which other parties should be permitted, and why. If other parties are permitted to participate, should there be limitations on the level of participation? For instance, should all parties have the opportunity to intervene and fully participate in the proceeding or would it be more appropriate to limit some parties’ participation to letters of comment and/or interested party status?
- If other parties beyond FAES and DSD are permitted to intervene in the proceeding, should Participant Funding be made available to those parties and why.
- For parties other than FAES and DSD, please indicate whether you would participate if Participant Funding was not made available to you. If you would not participate on that basis, please explain why not.
- The appropriate regulatory process for review of the Application, including but not limited to:
  - Written hearing;
  - Oral hearing;
  - Negotiated Settlement Process;
  - Streamlined Review Process; or
  - Some combination of processes (for instance, written information requests followed by some form of oral hearing process).
- Whether DSD or other parties intend to file Intervener Evidence, the nature of the evidence, and the timing of when the evidence would be ready for filing.

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<sup>1</sup> Exhibit B-1, p. 3.

<sup>2</sup> Exhibit B-1, Appendix C, pp. 4-5.

- Whether the Commission, if a decision is not issued by July 1, 2018, should approve interim rates at the proposed cost of service rate of \$0.223 per kWh effective July 1, 2018.
- Any other procedural matters that parties want to bring to the attention of the Panel.

If parties are unable to attend the procedural conference in person, they may provide input regarding the list of items above via a written submission on or before noon on Tuesday, April 3, 2018. All submissions should be filed electronically via the Commission's eFiling system.

Parties are requested to email the Commission Secretary at [Commission.Secretary.com@bcuc.com](mailto:Commission.Secretary.com@bcuc.com) to confirm their attendance at the procedural conference by noon on Tuesday, April 3, 2018. Parties are reminded that Participant Funding will not be provided to those parties who attend the procedural conference but are subsequently not accepted as interveners in this proceeding.