CREATIVENERGY

31 May 2019

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 Vancouver Platforms Inc. (Creative Energy)**
**Application for a Fuel Cost Adjustment Charge (FCAC) Rate Rider (Application)**

Please find attached Creative Energy's response to Commercial Energy Consumers Association of British Columbia (CEC) Information Request (IR) No. 2, in accordance with Order G-100-19 in the above noted proceeding.

Filed separately on a confidential basis is Confidential Attachment CEC IR 9.5 – RFP Selection Grid. Creative Energy expects that each of the identified proponents in this attachment would consider certain of the summarized information to be commercially sensitive (for example, fees).

For further information, please contact the undersigned.

Yours sincerely,

Rob Gorter
Director, Regulatory Affairs and Customer Relations

Enclosure
Cc: Registered Intervenors

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Creative Energy Vancouver Platforms Inc.
Application for Fuel Cost Adjustment Charge (FCAC) Rate Rider

**CREATIVE ENERGY RESPONSE TO CEC INFORMATION REQUEST NO. 2**

**8. Reference: Exhibit B-4, CEC 1.2.1**

**Please refer to the following summary of the incremental change in metered accounts between 2007-2018. At the end of 2018, Creative Energy had 185 customers and 222 metered accounts in total.**

| Buildings | Incremental Change in the Number of Accounts | | | | | | | | | | | | Average Annual Load |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| # | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | M# |
| 1 | 3 | | | | | | | | | | | | 11,871 |
| 2 | -1 | | | | | | | | | | | | (11,560) |
| 3 | | 2 | | | | | | | | | | | 14,425 |
| 4 | | | 9 | | | | | | | | | | 22,138 |
| 5 | | | 1 | | | | | | | | | | 3,554 |
| 6 | | | 1 | | | | | | | | | | 7,917 |
| 7 | | | | -1 | | | | | | | | | (168) |
| 8 | | | | | -1 | | | | | | | | (11,692) |
| 9 | | | | | -1 | | | | | | | | (4,420) |
| 10 | | | | | 1 | | | | | | | | 7,808 |
| 11 | | | | | 1 | | | | | | | | 11,741 |
| 12 | | | | | | 1 | | | | | | | 2,813 |
| 13 | | | | | | -1 | | | | | | | (995) |
| 14 | | | | | | | -1 | | | | | | (120) |
| 15 | | | | | | | | -1 | | | | | (2,583) |
| 16 | | | | | | | | -1 | | | | | (96) |
| 17 | | | | | | | | -1 | | | | | (1,747) |
| 18 | | | | | | | | 1 | | | | | 2,665 |
| 19 | | | | | | | | | 1 | | | | 2,807 |
| 20 | | | | | | | | | 1 | | | | 1,392 |
| 21 | | | | | | | | | | 1 | | | 17,883 |
| 22 | | | | | | | | | | 2 | | | 2,254 |
| 23 | | | | | | | | | | 1 | | | 1,976 |
| 24 | | | | | | | | | | | 1 | | 525 |
| 25 | | | | | | | | | | | | 1 | 1,500 |
| Net | 2 | 2 | 11 | -1 | - | - | -1 | -2 | 2 | 4 | 1 | 1 | 19 accounts 79,888 M# |

8.1. Please provide the meaning of the column Buildings #1 through #25.

**RESPONSE:**

**The Building reference column is superfluous to the data provided in response to the request for the rate of change in customer account connects and disconnects. Most buildings correspond to a specific customer and account while some buildings have multiple customers and accounts, such as the Woodwards building ('Building 4').**

8.2. Does Creative Energy have any elasticity figure for its accounts?

**RESPONSE:**

**Creative Energy does not have any elasticity figures for its accounts.**

8.2.1. If yes, please provide.

**RESPONSE:**

**Not applicable.**

8.2.2. If no, does Creative Energy expect that any customers may leave Creative Energy as a result of the proposed Fuel Cost Adjustment? Please explain why or why not.

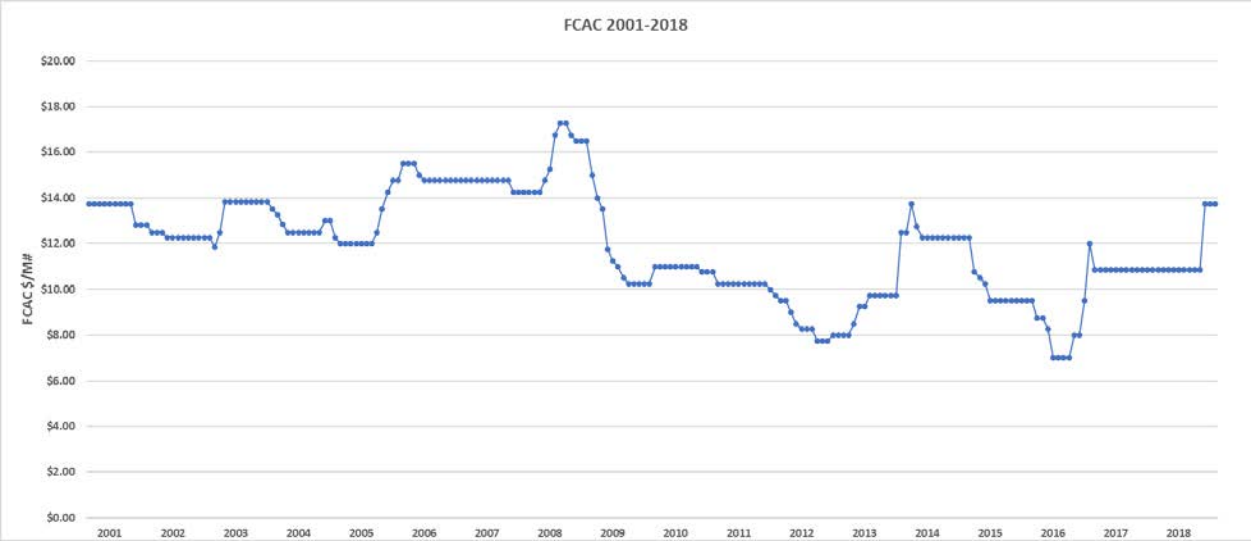
**RESPONSE:**

**Creative Energy does not expect that any customers will leave Creative Energy as a result of the proposed rate rider, which is a short-term and temporary measure. Creative Energy notified customers of our proposed and interim-approved rate rider on April 3, 2019, and similarly did so upon Commission approval of the current FCAC of $13.75/M#. To date, noted customer concern has been limited. The main inquiry of customers in this regard seeks better understanding of the duration of the rate rider (i.e. the amortization period) to ensure that budget forecasts properly account for these costs.**

**Due to the nature of the flow-through of fuel costs to our customers, Creative Energy notes that it is conceivable that our customers may in general be accustomed to the fact that their fuel cost rates change over time sometimes by a large percentage over a relatively short period of time. Please refer to the following chart of changes to the FCAC between 2001-2018. This chart highlights the frequency and magnitude related to internal management of fuel cost rate changes prior to 2016, at which time Commission oversight of fuel cost rates was put in place as per Order G-167-16, and that changes to the FCAC over a period of a single month or multiple back-to-back months were sometimes of an order of magnitude similar to what customers are experiencing currently.**

**While our contracting strategy has historically provided our customers comparable value to bundled service options, with the extraordinary events and market impacts this past winter, our natural gas costs during the winter of 2018/2019 were over $12 million higher than an estimate of such costs under FEI bundled rates. Additionally, Creative Energy understands that the Enbridge pipeline continues to operate under a Force Majeure declaration, and we are of the view that it is likely that the gas commodity price at Sumas may be higher than normal and volatile this summer and during the 2019/2020 winter period. Creative Energy aims to provide reliable and cost-effective service to its customers and going forward, outside of this proceeding, Creative Energy is seeking Commission**

**acceptance of a different strategy to achieve long-term price stability for our customers and entirely avoid the risk of extreme price volatility. While the frequency and nature of indicated customer concern with periodic high fuel costs has to date been limited, Creative Energy considers that it would not be acceptable for our customers to go through a scenario like the 2018/2019 winter again.**




8.3. Please advise if account changes occur if a customer changes the name of their company and/or are taken over or replaced by another company.

**RESPONSE:**

**Account changes do sometimes occur when a customer changes the name of their company and/or are taken over or replaced by another company, but Creative Energy did not include these account data points in the chart referenced in the preamble of this IR above for the cases where service was not discontinued for any period of time.**

8.4. Please explain why the losses and the gains are roughly similar in magnitude. Is this just coincidental?

**RESPONSE:**

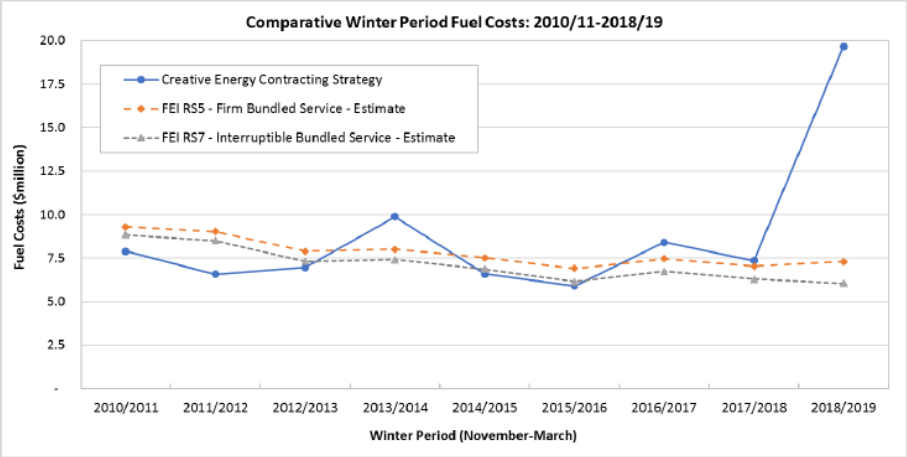
**Creative Energy assumes that the reference to losses and gains refers to the incremental change over time in the number of accounts and/or the total load. Creative Energy remarks that these changes may not necessarily be of similar magnitude, noting in particular that Creative Energy added a net increase in 19 accounts and approximately 80,000 M# over the period 2007-2018. Any noted changes that appear similar in magnitude would be coincidental.**

## 9. Reference: Exhibit B-4, CEC 1.4.1 and 1.7.1

4.1. Please provide the last 5 to 10 years of annual fuel cost data to demonstrate that the current levels of variability are exceptional to past levels of variability.

**RESPONSE:**

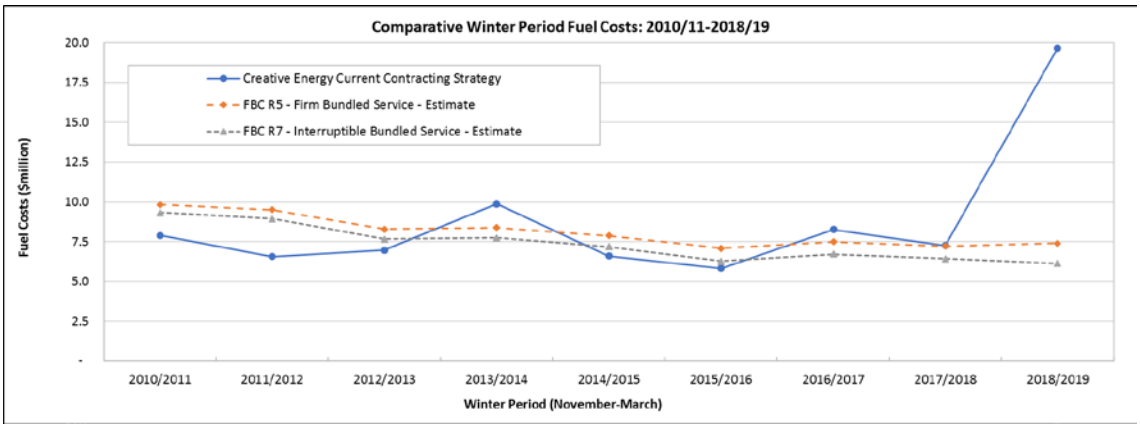
**Please refer to the following summary of comparative Winter Period (November-March) fuel costs from 2010/2011 through 2018/2019. This chart illustrates the exceptional impact during the Winter 2018/2019, in relation to a more typical variation in Creative Energy's winter period fuel costs associated with its contracting strategy, and also in relation to an estimate of the costs at the same level of fuel consumption under bundled service from FortisBC Energy Inc. (FEI). Please note that the estimate of FEI costs is based on the rates in effect in the January of the winter period in question; thus, the estimate of FEI costs in the 2018/2019 winter period do not reflect any possible FEI rate changes resulting from the impacts this winter.**




9.1. Please explain quantitatively and in detail the difference that would have occurred in 2018 to 2019 if the Creative Energy contracting strategy had been to buy from FortisBC Energy Inc. ("**FEI**") versus the Creative Energy contracting strategy.

**RESPONSE:**

**Creative Energy includes below a slightly revised chart that includes applicable taxes in the FEI estimates to improve a comparison to Creative Energy fuel costs. As Creative Energy highlights above in the response cited in reference to this IR, the indicated FEI results are estimates based on known rates, but what is unknown is whether FEI contemplates any rate changes going forward related to the impacts of this past winter.**




**As discussed in our response to BCOAPO IR 4.8, had Creative Energy been procuring its gas supply from FEI under a bundled service rate rather than through Cascadia, the consequences of the events of the 2018/2019 winter period would have been no different in terms of our ability to provide our customers with uninterrupted service. Creative Energy would still have been able to rely on its backup system as required assuming its service would have similarly been curtailed by FEI following the pipeline explosion.**

**However, as illustrated by the chart, Creative Energy's fuel costs in the 2018/2019 winter period are approximately $12 - $13.5 million more than an estimate of the fuel costs associated with FEI bundled firm or interruptible service over the same period.**

9.2. Please provide a quantitative analysis as to the difference in fuel costs that would have occurred, if any, if Creative Energy had optimized the use of all its available resources, including back up fuels, assuming permission from the City of Vancouver.

**RESPONSE:**

**As detailed in our Application and in response to IRs, Creative Energy was able to use its back-up fuel system to the extent possible in order to provide value to its customers.**

**In general, and subject to the permitted fuel limitations under the Municipal Access Agreement with the City of Vancouver, the use of our back-up system in February and March 2019 would have been economic when natural gas prices were markedly greater than approximately $30/GJ.**

**In reference to our responses to BCUC IRs 4.1, 4.3, 7.5, 7.6, 7.9 and 8.1, Creative Energy was ultimately able to avoid very high natural gas prices from March 2 to March 4 (daily index prices around $200/GJ during this period). Creative Energy switched to its back-up fuel system on February 27 due to the strong indication of supply limitations and high forecast demand during that period, and the consequent expectation of very high natural gas prices. Creative Energy operated under its back-up system for the period February 27 through March 5. While Creative Energy was ultimately able to avoid very high natural gas prices during this period,**

**there were two days where the daily index price of natural gas turned out to be less than $30/GJ (February 28 and March 5, as noted in the table provided in the response to BCUC IR 7.5).**

**Conversely, and as discussed in the response to BCUC IR 7.6, Creative Energy was not able to respond to the high gas prices during the February 9-11 weekend period as those prices were unforeseen, neither expected nor known at the time of the required gas nominations for those days. For information regarding Creative Energy's consideration of a switch to its back-up system on February 12 and 13, please refer to the response to BCUC IR 7.6.**

**In reference to the table of daily prices provided in the response to BCUC IR 7.5, there was only one other day, Friday November 16, 2018 where in retrospect the use of our back-up system this past winter could have been economic. Again, however, the gas nomination for that day was submitted the previous day, one day in advance of consumption, and at that time the prices for November 16, 2018 were expected to be lower.**

9.3. Please provide a quantitative determination as to whether or not the use of Cascadia Energy Ltd. ("**Cascadia**") as a supplier has outweighed the impact of not using FEI as a gas supplier.

**RESPONSE:**

**Creative Energy's current contracting strategy has historically provided our customers comparable value to bundled service options outside of the extraordinary events and market impacts of this past winter, as highlighted in the response above to CEC IR 9.1.**

**While the current contracting strategy by its nature has more variability year-over year compared to estimates of FEI bundled options, on an annual basis over the calendar year period 2010-2018 Creative Energy's fuel costs have totalled approximately $110.3 million compared to estimates of fuel costs under FEI bundled firm and interruptible rates over the same period, which total $130.5 million and $111.8 million respectively.**

9.4. Please provide any evaluation, quantitative or qualitative, that was used by the Company to determine that is should use Cascadia as a supplier instead of FEI.

**RESPONSE:**

**Creative Energy cannot find in its historical records any evaluation that may have been done to make the initial decision in 2009 to use Cascadia as a supplier instead of FEI. Therefore, Creative Energy cannot confirm if any evaluation was done.**

**Please also refer to the response to BCOAPO IR 4.6.**

9.5. Please provide any evaluation, quantitative or qualitative, that was used by the Company to determine that is should use Cascadia as a supplier instead of any other gas marketer.

**RESPONSE:**

**In 2016 Creative Energy issued a request for proposals for the supply of natural gas for a three-year period, November 1, 2016 to November 1, 2019. Please refer to Confidential Attachment 9.5 – RFP Selection Grid. Cascadia was the successful proponent.**

**By Letter E-21-17, dated November 8, 2017, the Commission accepted for filing the supply contract between Creative Energy Vancouver Platforms Inc. and Cascadia Energy Ltd. for the period November 1, 2016 to November 1, 2019.**

**Please refer to BCOAPO IR 4.6 and CEC IR 10.1 for further context.**

**10. Reference: Exhibit B-4, CEC 1.7.1**

**7. Exhibit B-1, Page 9**

Creative Energy's three-year contract with Cascadia expires on October 31, 2019. In the normal course Creative Energy will be reviewing gas supply proposals and alternatives early this year with a view to seeking Commission approval of a preferred gas supply contracting strategy as part of its 2019-2020 ACP, as also directed by Order G-213-18. As part of its planned review of alternatives, Creative Energy will evaluate the benefits and costs of procuring its natural gas supply directly from FortisBC, in addition to the transportation service that it already receives from that utility. Creative Energy is not in a position at this time to report on this review.

7.1. Please confirm that if Creative Energy had been purchasing supply from Fortis BC Energy Inc. its customers could have benefited from the Fortis BC Energy Inc.' bill impact smoothing before any FCAC plan Creative Energy may have applied for.

**RESPONSE:**

**Confirmed. Please refer to the responses to CEC IR 4.1 and BCUC IR 4.2.1.**

10.1. For which years has Creative Energy purchased energy from Cascadia? Please provide the information dating back 10 years, and identify when the contracts commenced and terminated.

**RESPONSE:**

**Cascadia has supplied natural gas to Creative Energy since 2009.**

- **A Gas Purchase and Supply Agreement was originally signed between Cascadia and Central Heat Distribution Ltd. on July 15, 2009 (Original Contract).**
    - **On September 19, 2011 by Letter L-78-11, the Commission directed Central Heat Distribution Ltd. to file all energy supply agreements in effect since November 1, 2010**

**pursuant to section 71 of the Utilities Commission Act and Commission Order G-130-06 Appendix A, Rules for Natural Gas Energy Supply Contracts.**

- **On November 10, 2011, by Order E-23-11, the Commission accepted the Original Contract and directed the future filing of any energy supply contract extensions, amendments or new contracts prior to the start of gas deliveries under those agreements pursuant to the Rules for Natural Gas Energy Supply Contracts;**

- **On November 19, 2014, in compliance with Order E-23-11, Creative Energy filed with the Commission the following gas supply contracts between Creative Energy and Cascadia (collectively the Contracts) for section 71 acceptance:**
  - **Letter dated August 19, 2014 between Creative Energy and Cascadia adjusting the terms of the Original Contract and extending the Original Contract for one additional year terminating November 1, 2015;**
  - **Schedule A dated August 21, 2014 with special conditions to the August 19, 2014 renewal of the Original Contract for the period November 1, 2014 to October 31, 2015; and**
  - **Schedule A dated October 29, 2014 regarding purchases for the winter period November 1, 2014 to March 31, 2015.**

- **On March 5, 2015, by Order E-3-15, the Commission accepted for filing the contracts between Creative Energy Vancouver Platforms Inc. and Cascadia Energy Ltd. filed with the Commission by Creative Energy on November 19, 2014.**

- **On August 7, 2015 Creative Energy filed its annual contracting plan for the period November 1, 2015 through October 31, 2016, which included a strategy to enter into a fixed forward price contract for approximately 25 percent of its winter natural gas supply requirement for the 2015/16 contract year.**
  - **On August 27, 2015, the Commission issued Letter L-33-15 accepting Creative Energy's 2015/16 ACP as being in the public interest.**
  - **On October 2, 2015, Creative Energy filed the 2015-16 Natural Gas Energy Supply Contract, a fixed forward price contract with Cascadia for the delivery period November 1, 2015 to March 31, 2016 (2015-16 Contract).**

- **On October 22, 2015, by Order E-20-15, the Commission accepted 2015-16 Contract and noted that it would keep the 2015-16 Contract and the Original Contract confidential.**

- **On October 28, 2015, Creative Energy filed the following two respective amending agreements to the Original Contract (collectively referred to as the Amending Agreements):**
  - **an amending agreement executed on October 26, 2015 setting out certain conditions that apply to the Original Contract for the period from November 1, 2015 to October 31, 2016, and**
  - **an amending agreement executed on October 26, 2015 replacing the 2015-16 Contract with a fixed price agreement for the period from November 1, 2015 to March 31, 2016 setting out certain conditions.**

  - **On November 9, 2015, by Order E-21-15, the Commission accepted these amendment agreements to the Original Contract.**
  - **On November 12, 2015, by Order E-22-15, the Commission accepted a fixed forward price contract with Cascadia for the delivery period November 1, 2015 to March 31, 2016, as filed by Creative Energy on November 5, 2015.**

- **On July 1, 2016 Creative Energy filed its 2016/2017 Annual Contracting Plan, which set out for the Commission its plan to issue an RFP to procure a supplier prior to August 31, 2016, and to evaluate prospective suppliers on the following criteria:**
  - **Procurement services**
  - **Strategy development**
  - **Competitive pricing**
  - **Security and reliability of natural gas supply, and**
  - **Value added services**

- **On August 24, 2017, Creative Energy filed with the Commission a gas supply contract between Creative Energy and Cascadia Energy Ltd. for acceptance for the period November 1, 2016 to November 1, 2019.**

- **By Letter E-21-17, dated November 8, 2017, the Commission accepted for filing the supply contract between Creative Energy Vancouver Platforms Inc. and Cascadia Energy Ltd. for the period November 1, 2016 to November 1, 2019.**

10.2. Why does Creative Energy not purchase supply from FEI?

**RESPONSE:**

**Creative Energy does not purchase supply from FEI because it is under a three-year contract with Cascadia for gas supply and is only taking transportation service from FEI under Rate 22.**

**Please refer also to the responses to CEC IRs 8.2.2, 9.4 and 10.1.**

## 11. Reference: Exhibit B-4, CEC 1.5.1

### 5. Exhibit B-1, Page 5

**Table 1: Indicative Natural Gas Commodity Price Forecast and Actual, October 2018 – February 2019**

| Month | Indicative Natural Gas Commodity Price Forecast $/GJ | | | | | | | Actual $/GJ (Average Billing) |
|---|---|---|---|---|---|---|---|---|
| | Jul 18 | Oct 18 | Oct 26 | Dec 4 | Dec 18 | Jan 2 | Jan 30 | |
| October 2018 | 2.56 | 9.09 | 7.35 | | | | | 9.83 |
| November 2018 | 3.38 | 7.60 | 14.57 | | | | | 16.00 |
| December 2018 | 3.38 | 8.15 | 10.27 | 13.00 | 8.78 | | | 8.05 |
| January 2019 | 3.38 | 5.64 | 9.41 | 15.38 | 7.76 | | | 5.03 |
| February 2019 | 3.38 | 4.92 | 7.14 | 7.47 | 5.46 | 4.66 | 4.82 | 25.11 |

5.1. Please explain how this data highlights the impact of the explosion and the compounding effects of the weather.

**RESPONSE:**

**This table highlights the impact of the pipeline explosion in that the July 18, 2018 forecast of winter period prices is notably much lower than both the indicative forecast prices for the periods subsequent to the pipeline explosion on October 9, 2018 and the average actual billing for consumption in the periods following the pipeline explosion.**

**This table highlights the compounding impact in February of both the compression issues at the Jackson Prairie storage facility and unexpectedly cold weather in the region. The January 2 and January 30 forecasts of market prices for the February period are markedly lower than the average actual billing for February consumption. That is, the January forecasts for February demonstrate that these circumstances were unforeseen.**

11.1. Please confirm or otherwise explain that Cascadia is the source of the Indicative Natural Gas Commodity Price Forecast information.

**RESPONSE:**

**Confirmed.**

**12. Reference: Exhibit B-2, BCUC 1.3.5.1**

3.5.1 Please compare the proposed rate versus a rate based on the current deferral account balance, the approved 12-month forecast total fuel cost, and an amortization period of 6, 12, 18 and 24 months.

**RESPONSE:**

**For comparison purposes, all else equal in the Rate Rider calculation spreadsheet attached to the Application, the following table reports the effect on the proposed Rate Rider from basing the rate rider on the current deferral account balance only and targeting the calculation to reduce that balance to 5 percent of the most recently approved annual fuel cost forecast of $15,566,129.**

| Amortization Period (months) | 6 | 12 | 18 | 24 |
|---|---|---|---|---|
| Rate Rider $/M# - Application, p. 7 | $21.00 | $7.80 | $4.80 | $2.80 |
| Rate Rider $/M# - Application, unrounded | $20.76 | $7.79 | $4.81 | $2.79 |
| Rate Rider $/M# - Updated, all else equal | $18.02 | $7.21 | $5.94 | $4.21 |

**Please refer to the response to BCUC IR 3.1 and Attachment 3.1 for the most up to date results using the most recently approved annual fuel cost forecast.**

12.1. What factors are at work that cause the rate rider for the 'updated information, all else equal', to shift from being lower than the proposed Rate rider at 6 months and 12 months to being higher than the proposed rate rider at 18 and 24 months? Please explain.

**RESPONSE:**

**As discussed in the responses to BCUC IRs 3.3 and 3.5, the original approach used in the Application determined the level of the FCAC Rate Rider based on reducing the current plus forecast monthly FCSA balance to 5 percent of the 12-month forecast of fuel costs as at the end of the amortization period. The nature of this approach was to incorporate forecast changes in the deferral account balance over the amortization period based also on a forecast of fuel costs and recovery during the amortization period (as affected by forecast load, forecast commodity prices, and forecast FCAC recovery, for example).**

**The 'shift from being lower than the proposed Rate rider at 6 months and 12 months to being higher than the proposed rate rider at 18 and 24 months' cannot be specifically isolated but it is explained generally by removing the dynamic nature of incorporating ongoing forecast changes to both load and the deferral balance, as requested in the referenced IR in the preamble to this question.**

**Creative Energy remarks that these observations are essentially of no import given the overall updated rate rider calculation and proposed method as provided in the response to BCUC IR 3.1.**

13. **Reference: Exhibit B-2, BCUC 1.3.2.2 and BCUC 1.4.2.1 and** http://www.cascadiaenergy.com/about-us/

3.2.2 Please explain how CEV derived the Commodity Rate Forward Curve that makes up the basis of the gas commodity cost forecast.

**RESPONSE:**

**Creative Energy did not derive the Commodity Rate Forward Curve. This curve of forecast commodity prices is for gas at Sumas and is provided by Creative Energy's gas marketer, Cascadia Energy Ltd (Cascadia). The underlying assumptions and conversion of this commodity price forecast into CDN$/GJ is set out in the calculation spreadsheet attached to the Application and in Attachment 3.1 - Rate Rider Calculation Updated.**

4.2.1 Please provide a brief discussion on why the contracting strategy identified in 4.2 above was chosen.

**RESPONSE:**

**Creative Energy's fuel supply portfolio consists of the following components:**

1. **natural gas supply through Cascadia;**
2. **natural gas transportation service from FEI under Rate 22; and**
3. **the on-site fuel oil backup system and fuel oil storage tanks.**

**Our portfolio provides a firm physical supply of gas under a low risk of curtailment with the ability to rely on the backup fuel oil system if and when needed.**

**With respect to gas supply, Cascadia provides a secure, firm supply of gas. Since 2011, in accordance with Commission Letter L-78-11, Creative Energy has filed an Annual Contracting Plan (ACP) with the Commission for its review and acceptance in advance of the winter heating season. These plans discuss demand requirements, supply resources, risk factors and may also request specific approval of a hedging strategy in advance of the winter heating season to reduce price volatility risk. Creative Energy has sought Commission approval of hedging strategies in its ACPs to manage exposure to potential short-term price spikes; however, the Commission has indicated reluctance to accept the proposed hedging with the result that the strategy has not been pursued. For example,**

13.1. What process did Creative Energy use to select its natural gas supplier, Cascadia? Please discuss.

**RESPONSE:**

**Please refer to the responses to CEC IRs 9.5 and 10.1, and BCOAPO IR 4.6.**

13.2. Please provide the frequency with which Creative Energy puts the supplier selection out to tender and the number of alternatives considered.

**RESPONSE:**

**Please refer to the response to CEC IR 10.1.**

13.3. Please identify by name the alternative options for gas supply that Creative Energy considers and the criteria it uses to select a supplier.

**RESPONSE:**

**Please refer to the responses to CEC IRs 9.5 and 10.1.**

13.4. The CEC understands that Cascadia is a privately held company and notes that Cascadia has its offices at 720 Beatty Street in Vancouver. Please identify any non-arms length financial interests existing between Cascadia and Creative Energy and/or Creative Energy's shareholder and/or shareholder holdings.

**RESPONSE:**

**There are no non-arms length financial interests existing between Cascadia and Creative Energy and/or Creative Energy's shareholder and/or shareholder holdings.**

**Please also refer to the response to BCOAPO IR 4.5.**

13.4.1. Does Cascadia pay rent to Creative Energy?

**RESPONSE:**

**Cascadia pays Creative Energy $2,188.50 per month, before tax, for the rental of 1,152 square feet of office space.**

13.4.1.1. If yes, please provide the rent Cascadia pays to Creative Energy.

**RESPONSE:**

**Please refer to the response to CEC 13.4.1.**